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**STATE OF IOWA**

**House Journal**

**WEDNESDAY, MAY 11, 2005**

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(The official bound copy will be available after a reasonable time upon adjournment.)

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## JOURNAL OF THE HOUSE

One Hundred Twenty-second Calendar Day - Eightieth Session Day

Hall of the House of Representatives  
Des Moines, Iowa, Wednesday, May 11, 2005

The House met pursuant to adjournment at 10:07 a.m., Roberts of Carroll in the chair.

Prayer was offered by the Honorable Dolores Mertz, state representative from Kossuth County.

### PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by the Honorable Rod Roberts, state representative from Carroll County.

The Journal of Tuesday, May 10, 2005 was approved.

### LEAVE OF ABSENCE

Leave of absence was granted as follows:

Jacobs of Polk, until her arrival, on request of Gipp of Winneshiek; Sands of Louisa, until his arrival, and Tomenga of Polk, until his arrival, on request of S. Olson of Clinton.

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on May 3, 2005, amended and passed the following bill in which the concurrence of the Senate was asked:

[House File 808](#), a bill for an act relating to and making appropriations involving state government, including provisions affecting agriculture and natural resources.

Also: That the Senate has on May 4, 2005, amended and passed the following bill in which the concurrence of the Senate was asked:

[House File 875](#), a bill for an act relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, environment first fund, tobacco settlement trust fund, vertical infrastructure fund, general fund of the

state, and related matters, and including effective and retroactive applicability date provisions.

MICHAEL E. MARSHALL, Secretary

The House stood at ease at 10:10 a.m., until the fall of the gavel

The House resumed session at 1:30 p.m., Speaker Rants in the chair.

#### QUORUM CALL

A non-record roll call was requested to determine that a quorum was present. The vote revealed eighty-members present, twenty absent.

#### LEAVE OF ABSENCE

Leave of absence was granted as follows:

Foege of Linn on request of Bukta of Clinton.

#### SENATE AMENDMENT CONSIDERED

Huseman of Cherokee called up for consideration [House File 875](#), a bill for an act relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, environment first fund, tobacco settlement trust fund, vertical infrastructure fund, general fund of the state, and related matters, and including effective and retroactive applicability date provisions, amended by the Senate amendment [H-1679](#) as follows:

#### [H-1679](#)

- 1 Amend [House File 875](#), as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 1, by striking lines 13 through 15 and
- 4 inserting the following:
- 5 "b. For rent payments for the community-based
- 6 corrections facility located in Davenport and the
- 7 department of corrections training center:"
- 8 2. Page 1, by inserting after line 28, the
- 9 following:
- 10 "DIVISION
- 11 STORMWATER DISCHARGE PERMIT FEES
- 12 Sec. \_\_. STORMWATER DISCHARGE PERMIT FEES
- 13 APPROPRIATION – AIR QUALITY MONITORING.
- 14 Notwithstanding any contrary provision of state law,
- 15 there is appropriated from stormwater discharge permit
- 16 fees as authorized to be collected pursuant to section
- 17 455B.103A to the department of natural resources for
- 18 the fiscal year beginning July 1, 2005, and ending

19 June 30, 2006, the following amount, or so much  
 20 thereof as is necessary, to be used for the purposes  
 21 designated:  
 22 For full-time personnel to conduct air quality  
 23 monitoring, which may include but is not limited to  
 24 staffing required to perform field monitoring and  
 25 laboratory functions, including salaries, support,  
 26 maintenance, and miscellaneous purposes:  
 27 ..... \$ 275,000"  
 28 3. Page 2, line 2, by inserting after the word  
 29 "projects" the following: ", notwithstanding section  
 30 8.57, subsection 6, paragraph "c".  
 31 4. Page 2, line 13, by inserting after the word  
 32 "payments" the following: ", notwithstanding section  
 33 8.57, subsection 6, paragraph "c".  
 34 5. Page 2, line 16, by inserting after the word  
 35 "facilities" the following: ", notwithstanding  
 36 section 8.57, subsection 6, paragraph "c".  
 37 6. Page 2, line 22, by striking the figure  
 38 "3,291,891" and inserting the following: "291,891".  
 39 7. Page 2, line 31, by striking the figure  
 40 "1,311,045" and inserting the following: "1,161,045".  
 41 8. Page 3, line 11, by striking the figure  
 42 "1,090,000" and inserting the following: "940,000".  
 43 9. Page 3, line 15, by inserting after the figure  
 44 "103,000" the following: ", notwithstanding section  
 45 8.57, subsection 6, paragraph "c".  
 46 10. Page 3, line 20, by inserting after the word  
 47 "Illinois" the following: ", notwithstanding section  
 48 8.57, subsection 6, paragraph "c".  
 49 11. Page 3, line 30, by inserting after the word  
 50 "program" the following: ", notwithstanding section

Page 2

1 8.57, subsection 6, paragraph "c".  
 2 12. Page 3, line 31, by striking the figure  
 3 "600,000" and inserting the following: "700,000".  
 4 13. Page 3, line 33, by inserting after the word  
 5 "network" the following: ", notwithstanding section  
 6 8.57, subsection 6, paragraph "c".  
 7 14. Page 4, line 1, by inserting after the word  
 8 "transmitters" the following: ", notwithstanding  
 9 section 8.57, subsection 6, paragraph "c".  
 10 15. Page 4, line 18, by inserting after the word  
 11 "initiative" the following: ", notwithstanding  
 12 section 8.57, subsection 6, paragraph "c".  
 13 16. Page 4, line 19, by striking the figure  
 14 "500,000" and inserting the following: "400,000".  
 15 17. Page 4, by inserting after line 27 the  
 16 following:  
 17 "The national program for playground safety shall

18 submit a report by January 15, 2006, to the joint  
 19 appropriations subcommittee on transportation,  
 20 infrastructure, and capitals detailing the use of the  
 21 moneys appropriated in this subsection. The report  
 22 shall specify the projects for which moneys were used  
 23 and the cost of each project including the amounts  
 24 spent on administration."  
 25 18. By striking page 4, line 29, through page 5,  
 26 line 9, and inserting the following:  
 27 "a. For lake dredging and the construction of bike  
 28 trails at Lake Cornelia in Wright county,  
 29 notwithstanding section 8.57, subsection 6, paragraph  
 30 "c":  
 31 ..... \$ 429,000"  
 32 19. Page 5, line 18, by inserting after the  
 33 figure "28K" the following: ", notwithstanding  
 34 section 8.57, subsection 6, paragraph "c".  
 35 20. Page 5, by inserting after line 19 the  
 36 following:  
 37 "\_\_\_ . For costs associated with the planning,  
 38 design, and construction of a destination park:  
 39 ..... \$ 3,000,000"  
 40 21. Page 5, line 23, by inserting after the word  
 41 "system" the following: ", notwithstanding section  
 42 8.57, subsection 6, paragraph "c".  
 43 22. Page 5, line 27, by striking the words "a regional  
 44 training facility" and inserting the following: "fire training  
 45 facilities".  
 46 23. Page 5, line 28, by striking the figure "500,000" and  
 47 inserting the following: "800,000".  
 48 24. Page 5, line 30, by striking the figure "100,000" and  
 49 inserting the following: "300,000".  
 50 25. Page 5, by striking lines 31 through 33 and

## Page 3

1 inserting the following: "training center.  
 2 Of the amount appropriated in this lettered  
 3 paragraph, \$200,000 shall be allocated to the Dubuque  
 4 fire training center.  
 5 The division of fire safety shall submit a report  
 6 by January 15, 2006, to the joint appropriations  
 7 subcommittee on transportation, infrastructure, and  
 8 capitals detailing the use of the moneys appropriated  
 9 in this subsection."  
 10 26. Page 6, line 1, by inserting after the word  
 11 "departments" the following: ", notwithstanding  
 12 section 8.57, subsection 6, paragraph "c".  
 13 27. Page 6, line 4, by inserting after the word  
 14 "For" the following: "major".  
 15 28. Page 6, line 12, by inserting after the word  
 16 "program" the following: ", notwithstanding section

17 8.57, subsection 6, paragraph "c".  
 18 29. Page 6, by inserting after line 17 the  
 19 following:  
 20 "In awarding assistance under the vertical  
 21 infrastructure improvement grant program, the  
 22 department shall give preference to projects that  
 23 demonstrate a collaborative effort between airports."  
 24 30. Page 7, line 4, by striking the figure "1,371,045" and  
 25 inserting the following: "1,521,045".  
 26 31. Page 7, line 11, by striking the figure "1,690,000"  
 27 and inserting the following: "1,840,000".  
 28 32. Page 9, by striking lines 3 through 7.  
 29 33. Page 9, by inserting after line 20, the following:  
 30 "Sec. \_\_\_. Section 328.1, subsection 9, Code 2005, is amended  
 31 to read as follows:  
 32 9. "Airport" means any landing area used regularly  
 33 by aircraft for receiving or discharging passengers or  
 34 cargo, and all appurtenant areas used or suitable for  
 35 airport buildings or other airport facilities, and all  
 36 appurtenant rights of way, whether heretofore or  
 37 hereafter established. "Airport" includes land within a city  
 38 with a population greater than one hundred seventy-five thousand  
 39 which is acquired to replace or mitigate land used in an airport  
 40 runway project at an existing airport when federal law, grant, or  
 41 action requires such replacement or mitigation."  
 42 34. Page 12, line 31, by striking the word "each"  
 43 and inserting the following: "the hungry canyons".  
 44 35. Page 12, line 33, by inserting after the word  
 45 "costs." the following: "No more than 10 percent of  
 46 the moneys allocated to the loess hills alliance  
 47 account in this lettered paragraph may be used for  
 48 administrative costs."  
 49 36. Page 14, by inserting after line 1 the  
 50 following:

Page 4

1 "Of the amount appropriated in this lettered  
 2 paragraph, \$100,000 shall be allocated for the five  
 3 island lake in Palo Alto county."  
 4 37. Page 14, by inserting after line 23 the  
 5 following:  
 6 "Sec. \_\_\_. Section 161A.80, subsection 2,  
 7 paragraphs a and b, Code 2005, are amended to read as  
 8 follows:  
 9 a. This section is repealed on July 1, ~~2005~~ 2015.  
 10 b. The principal and interest from any blufflands  
 11 protection loan outstanding on July 1, ~~2005~~ 2015, and  
 12 payable to the blufflands protection revolving fund,  
 13 shall be paid to the administrative director of the  
 14 division of soil conservation on or after July 1, ~~2005~~  
 15 2015, pursuant to the terms of the loan agreement and

16 shall be credited to the rebuild Iowa infrastructure  
 17 fund."  
 18 38. Page 15, by striking lines 22 through 35 and  
 19 inserting the following: "the statehouse that  
 20 experienced such water damage."  
 21 39. Page 16, by inserting after line 12 the  
 22 following:  
 23 "( ) For major renovation and major repair  
 24 needs, including health, life, and fire safety needs,  
 25 and for compliance with the federal Americans With  
 26 Disabilities Act, for state buildings and facilities  
 27 under the purview of the department:  
 28 ..... \$ 3,000,000"  
 29 40. Page 17, line 6, by inserting after the word  
 30 "network" the following: "notwithstanding section  
 31 12E.12, subsection 1, paragraph "b", subparagraph  
 32 (1)".  
 33 41. Page 18, line 18, by inserting after the word  
 34 "institutions" the following: "notwithstanding  
 35 section 12E.12, subsection 1, paragraph "b",  
 36 subparagraph (1)".  
 37 42. Page 18, line 28, by inserting after the  
 38 figure "16.177" the following: "notwithstanding  
 39 section 12E.12, subsection 1, paragraph "b",  
 40 subparagraph (1)".  
 41 43. Page 18, by striking lines 30 through 35.  
 42 44. Page 19, line 12, by inserting before the  
 43 word "section" the following: "section 25, subsection  
 44 3, paragraph "b", and".  
 45 45. Page 19, by inserting after line 17 the  
 46 following:  
 47 "Sec. \_\_. 2002 Iowa Acts, chapter 1173, section  
 48 1, subsection 7, paragraph a, as amended by 2004 Iowa  
 49 Acts, chapter 1175, section 310, is amended to read as  
 50 follows:

Page 5

1 a. For parking improvements and provision of  
 2 street access for the judicial building:  
 3 FY 2002-2003 ..... \$ 700,000  
 4 FY 2003-2004 ..... \$ 0  
 5 FY 2004-2005 ..... \$ 0  
 6 FY 2005-2006 ..... \$ 0  
 7 Of the amount appropriated in this lettered  
 8 paragraph for FY 2002-2003, up to \$330,000 may be used  
 9 for costs associated with ~~operation of the judicial~~  
 10 ~~building, notwithstanding section 12E.12, subsection~~  
 11 ~~1, paragraph "b", subparagraph (1) site work in the~~  
 12 vicinity of the judicial building.  
 13 Sec. \_\_. 2003 Iowa Acts, chapter 177, section 22,  
 14 subsection 6, paragraph a, is amended by striking the

15 paragraph."

16 46. Page 19, by inserting after line 21 the  
17 following:

18 "Sec. \_\_\_. EFFECTIVE DATE. The section of this  
19 division of this Act amending 2002 Iowa Acts, chapter  
20 1173, section 1, subsection 7, being deemed of  
21 immediate importance, takes effect upon enactment.

22 Sec. \_\_\_. EFFECTIVE DATE. The section of this  
23 division of this Act amending 2003 Iowa Acts, chapter  
24 177, section 22, subsection 6, being deemed of  
25 immediate importance, takes effect upon enactment."

26 47. Page 20, line 35, by inserting after the word  
27 "facilities" the following: ", notwithstanding  
28 section 8.57B, subsection 3".

29 48. Page 24, by inserting after line 14 the  
30 following:

31 "DIVISION  
32 IOWA COMMUNICATIONS NETWORK

33 Sec. \_\_\_. Section 8D.3, subsection 3, paragraph i,  
34 Code 2005, is amended to read as follows:

35 i. Evaluate existing and projected rates for use  
36 of the system and ensure that rates are sufficient to  
37 pay for the operation of the system excluding the cost  
38 of construction and lease costs for Parts I, II, and  
39 III. The commission shall establish all hourly rates  
40 to be charged to all authorized users for the use of  
41 the network and shall consider all costs of the  
42 network in establishing the rates. A fee established  
43 by the commission to be charged to a hospital licensed  
44 pursuant to chapter 135B, a physician clinic, or the  
45 federal government shall be at an appropriate rate so  
46 that, at a minimum, there is no state subsidy related  
47 to the costs of the connection or use of the network  
48 related to such user.

49 Sec. \_\_\_. Section 8D.13, subsection 11, Code 2005,  
50 is amended to read as follows:

Page 6

1 11. The fees charged for use of the network and  
2 state communications shall be based on the ongoing  
3 ~~operational costs~~ expenses of the network and of  
4 providing state communications ~~only~~. For the services  
5 rendered to state agencies by the commission, the  
6 commission shall prepare a statement of services  
7 rendered and the agencies shall pay in a manner  
8 consistent with procedures established by the  
9 department of administrative services."

10 49. Page 24, by inserting after line 14, the  
11 following:

12 "DIVISION  
13 ACCESS IOWA HIGHWAYS

14 Sec. \_\_\_.

15 1. INTENT. It is the intent of the general  
16 assembly to formulate an access Iowa plan which shall  
17 designate portions of the commercial and industrial  
18 network of highways as access Iowa highways. The goal  
19 of the access Iowa plan shall be to enhance the  
20 existing Iowa economy and ensure its continuing  
21 development and growth in the national and global  
22 competitive marketplace by providing for early  
23 completion of the construction of the most important  
24 portions of the Iowa highway system. These portions  
25 of the system shall be those that are essential for  
26 support of intrastate transportation and commerce and  
27 essential for ensuring Iowans direct access to the  
28 nation's system of interstate highways and  
29 transportation services.

30 The general assembly's past actions are consistent  
31 with the access Iowa plan. The general assembly has  
32 set general policy guidelines for the state  
33 transportation commission's planning and programming  
34 development, directed that road service be equalized  
35 throughout the state, determined that a commercial and  
36 industrial network of highways would benefit Iowa  
37 transportation services, directed the commission to  
38 focus at least part of their legislatively provided  
39 resources on the commercial and industrial network,  
40 and directed that the commission consider equalization  
41 of accessibility for economic development as one of  
42 the factors in establishing its plan and program  
43 priorities for the commercial and industrial network.  
44 These actions recognize that interstate commerce and  
45 national economic development are furthered and  
46 supported by the national system of interstate and  
47 defense highways and the national highway system, and  
48 that Iowa commerce and economic development are  
49 supported by Iowa's commercial and industrial network  
50 of highways.

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1 2. ACCESS IOWA HIGHWAY DESIGNATION. The state  
2 department of transportation shall designate portions  
3 of the commercial and industrial network of highways  
4 as access Iowa highways and shall expedite and  
5 accelerate development of access Iowa highways. When  
6 designating those portions of the commercial and  
7 industrial network as access Iowa highways, the  
8 department shall consider the direct and priority  
9 linkages between economic centers within the state  
10 with populations of 20,000 or more and the enhancement  
11 of intrastate mobility and Iowa regional accessibility  
12 and national accessibility.

13 3. REPEAL. This section is repealed effective  
14 July 1, 2015."

15 50. Page 24, by inserting before line 15, the  
16 following:

17 "DIVISION  
18 HONEY CREEK PREMIER DESTINATION  
19 PARK BOND PROGRAM

20 Sec. \_\_. Section 12.30, subsection 1, paragraph

21 a, Code 2005, is amended to read as follows:

22 a. "Authority" means a department, or public or  
23 quasi-public instrumentality of the state including,  
24 but not limited to, the authority created under  
25 chapter 12E, 16, 16A, 175, 257C, 261A, ~~or~~ 327I, or  
26 463C, which has the power to issue obligations, except  
27 that "authority" does not include the state board of  
28 regents or the Iowa finance authority to the extent it  
29 acts pursuant to chapter 260C.

30 Sec. \_\_. NEW SECTION. 463C.1 TITLE.

31 This chapter shall be known and may be cited as the  
32 "Honey Creek Premier Destination Park Bond Program".

33 Sec. \_\_. NEW SECTION. 463C.2 DEFINITIONS.

34 As used in this chapter, unless the context  
35 otherwise requires:

36 1. "Authority" means the honey creek premier  
37 destination park authority created in section 463C.4.

38 2. "Board" means the governing board of the  
39 authority.

40 3. "Bonds" means bonds, notes, and other  
41 obligations and financing arrangements issued or  
42 entered into by the authority pursuant to this  
43 chapter.

44 4. "Department" means the department of natural  
45 resources.

46 5. "Fund" means the honey creek premier  
47 destination park bond fund created in section 463C.11.

48 6. "Program" means the honey creek premier  
49 destination park bond program established in section  
50 463C.10.

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1 Sec. \_\_. NEW SECTION. 463C.3 LEGISLATIVE  
2 FINDINGS.

3 1. The establishment of the honey creek premier  
4 destination park bond program and honey creek premier  
5 destination park authority is in all respects for the  
6 benefit of the people of the state of Iowa, for the  
7 improvement of their health and welfare, and for the  
8 promotion of the economy, which are public purposes.

9 2. The authority will be performing an essential  
10 governmental function in the exercise of the powers  
11 and duties conferred upon it by this chapter.

12 3. The authority will assist in the establishment  
13 of the honey creek premier destination park in the  
14 state which will provide important recreational and  
15 economic benefits to the state.

16 4. Current efforts to develop the honey creek  
17 premier destination park in the state have fallen  
18 short and the creation of an authority which has the  
19 mission of engaging and assisting in these efforts  
20 will increase the likelihood of reaching the desired  
21 goal.

22 5. It is necessary to create the honey creek  
23 premier destination park bond program and authority to  
24 encourage the investment of private capital to  
25 stimulate the development and construction of the park  
26 including lodges, campgrounds, cabins, and golf  
27 courses through the use of public financing, and to  
28 this extent it is the public policy of this state to  
29 support the honey creek premier destination park bond  
30 program in the procurement of necessary moneys for  
31 deposit into the honey creek premier destination park  
32 bond fund.

33 Sec. \_\_. NEW SECTION. 463C.4 ESTABLISHMENT OF  
34 HONEY CREEK PREMIER DESTINATION PARK AUTHORITY.

35 1. The honey creek premier destination park  
36 authority is created and constitutes a public  
37 instrumentality and agency of the state, separate and  
38 distinct from the state, exercising public and  
39 essential governmental functions.

40 2. The purposes of the authority include all of  
41 the following:

42 a. To implement and administer the honey creek  
43 premier destination park bond program and to establish  
44 a stable source of revenue to be used for the purposes  
45 designated in this chapter.

46 b. To issue bonds and enter into funding options,  
47 consistent with this chapter, including refunding and  
48 refinancing its debt and obligations.

49 c. To provide for and secure the issuance and  
50 repayment of its bonds.

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1 d. To invest funds available under this chapter to  
2 provide for a source of revenue in accordance with the  
3 program plan.

4 e. To refund and refinance the authority's debts  
5 and obligations, and to manage its funds, obligations,  
6 and investments as necessary and if consistent with  
7 its purpose.

8 f. To implement the purposes of this chapter.

9 3. The authority shall invest its funds and  
10 accounts in accordance with this chapter and shall not

11 take action or invest in any manner that would cause  
 12 the state to become a stockholder in any corporation  
 13 or that would cause the state to assume or agree to  
 14 pay the debt or liability of any corporation in  
 15 violation of the United States Constitution or the  
 16 Constitution of the State of Iowa.

17 4. The authority shall not create any obligation  
 18 of this state or any political subdivision of this  
 19 state within the meaning of any constitutional or  
 20 statutory debt limitation.

21 5. The authority shall not pledge the credit or  
 22 taxing power of this state or any political  
 23 subdivision of this state, or make its debts payable  
 24 out of any moneys except those of the authority  
 25 specifically pledged for their payment.

26 Sec. \_\_. NEW SECTION. 463C.5 GOVERNING BOARD.

27 1. The powers of the authority are vested in and  
 28 shall be exercised by a board consisting of the  
 29 treasurer of state, the auditor of state, and the  
 30 director of the department of management.  
 31 Notwithstanding the provisions of section 12.30,  
 32 subsection 2, regarding ex officio nonvoting status,  
 33 the treasurer of state shall act as a voting member of  
 34 the authority.

35 2. Two members of the board constitute a quorum.

36 3. The members shall elect a chairperson, vice  
 37 chairperson, and secretary, annually, and other  
 38 officers as the members determine necessary. The  
 39 treasurer of state shall serve as treasurer of the  
 40 authority.

41 4. Meetings of the board shall be held at the call  
 42 of the chairperson or when a majority of the members  
 43 so requests.

44 5. The members of the board shall not receive  
 45 compensation by reason of their membership on the  
 46 board.

47 Sec. \_\_. NEW SECTION. 463C.6 STAFF --  
 48 ASSISTANCE BY STATE OFFICERS, AGENCIES, AND  
 49 DEPARTMENTS.

50 1. The staff of the office of the treasurer of

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1 state shall also serve as staff of the authority under  
 2 the supervision of the treasurer.

3 2. State officers, agencies, and departments may  
 4 render services to the authority within their  
 5 respective functions, as requested by the authority.

6 Sec. \_\_. NEW SECTION. 463C.7 LIMITATION OF  
 7 LIABILITY.

8 Members of the board and persons acting on the  
 9 authority's behalf, while acting within the scope of

10 their employment or agency, are not subject to  
11 personal liability resulting from carrying out the  
12 powers and duties conferred on them under this  
13 chapter.

14 Sec. \_\_. NEW SECTION. 463C.8 GENERAL POWERS OF  
15 AUTHORITY.

16 1. The authority has all the general powers  
17 necessary to carry out its purposes and duties and to  
18 exercise its specific powers, including but not  
19 limited to all of the following powers:

20 a. The power to issue its bonds and to enter into  
21 other funding options as provided in this chapter.

22 b. The power to have perpetual succession as a  
23 public instrumentality and agency of the state, until  
24 dissolved in accordance with this chapter.

25 c. The power to sue and be sued in its own name.

26 d. The power to make and execute agreements,  
27 contracts, and other instruments, with any public or  
28 private person, in accordance with this chapter.

29 e. The power to hire and compensate legal counsel,  
30 notwithstanding chapter 13.

31 f. The power to hire investment advisors and other  
32 persons as necessary to fulfill its purpose.

33 g. The power to invest or deposit moneys of or  
34 held by the authority in any manner determined by the  
35 authority, notwithstanding chapter 12B or 12C.

36 h. The power to procure insurance, other credit  
37 enhancements, and other financing arrangements, and to  
38 execute instruments and contracts and to enter into  
39 agreements convenient or necessary to facilitate  
40 financing arrangements of the authority and to fulfill  
41 the purposes of the authority under this chapter,  
42 including but not limited to such arrangements,  
43 instruments, contracts, and agreements as bond  
44 insurance, liquidity facilities, interest rate  
45 agreements, and letters of credit.

46 i. The power to accept appropriations, gifts,  
47 grants, loans, or other aid from public or private  
48 entities.

49 j. The power to adopt rules consistent with this  
50 chapter and in accordance with chapter 17A, as the

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1 board determines necessary.

2 k. The power to acquire, own, hold, administer,  
3 and dispose of property.

4 l. The power to determine, in connection with the  
5 issuance of bonds, and subject to the sales agreement,  
6 the terms and other details of financing, and the  
7 method of implementation of the program plan.

8 m. The power to perform any act not inconsistent

9 with federal or state law necessary to carry out the  
10 purposes of the authority.

11 2. The authority is exempt from the requirements  
12 of chapter 8A, subchapter III.

13 Sec. \_\_. NEW SECTION. 463C.9 POWERS NOT  
14 RESTRICTED – LAW COMPLETE IN ITSELF.

15 This chapter shall not restrict or limit the powers  
16 which the authority has under any other law of this  
17 state, but is cumulative as to any such powers. A  
18 proceeding, notice, or approval is not required for  
19 the creation of the authority or the issuance of  
20 obligations or an instrument as security, except as  
21 provided in this chapter.

22 Sec. \_\_. NEW SECTION. 463C.10 HONEY CREEK  
23 PREMIER DESTINATION PARK BOND PROGRAM.

24 The authority shall assist in the development and  
25 expansion of the honey creek premier destination park  
26 in the state through the establishment of the honey  
27 creek premier destination park bond program. The  
28 authority may issue its bonds or notes, or series of  
29 bonds or notes, for the purpose of defraying the cost  
30 of one or more projects for the development and  
31 expansion of the honey creek premier destination park  
32 in the state, including lodges, campgrounds, cabins,  
33 and golf courses, and make secured and unsecured loans  
34 for the acquisition and construction of such projects  
35 on terms the authority determines.

36 Sec. \_\_. NEW SECTION. 463C.11 HONEY CREEK  
37 PREMIER DESTINATION PARK BOND FUND.

38 1. The honey creek premier destination park bond  
39 fund is established as a separate and distinct fund in  
40 the state treasury consisting of honey creek premier  
41 destination park revenues, any moneys appropriated by  
42 the general assembly to the fund, and any other moneys  
43 available to and obtained or accepted by the authority  
44 for placement in the fund. The moneys in the fund  
45 shall be used to develop the honey creek premier  
46 destination park in the state by funding the  
47 development and construction of facilities in the park  
48 including but not limited to lodges, campgrounds,  
49 cabins, and golf courses.

50 2. Payments of interest, repayments of moneys

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1 loaned pursuant to this chapter, and recaptures of  
2 awards shall be deposited in the fund.

3 3. Moneys in the fund may be used by the authority  
4 for the purpose of providing grants, loans, forgivable  
5 loans, loan guarantees under the honey creek premier  
6 destination park bond program established in this  
7 chapter, and otherwise funding the development and

8 construction of facilities in the park including but  
9 not limited to lodges, campgrounds, cabins, and golf  
10 courses. The moneys in the fund shall be used for the  
11 development and construction of facilities in the  
12 honey creek premier destination park.

13 4. The authority, in consultation with the  
14 department, shall determine which projects qualify for  
15 assistance from the fund, and which projects shall be  
16 funded.

17 Sec. \_\_. NEW SECTION. 463C.12 PREMIER  
18 DESTINATION PARK BONDS.

19 1. The authority may issue bonds for the purpose  
20 of funding the honey creek premier destination park  
21 bond fund established in section 463C.11 and for the  
22 purpose of refunding any bonds issued under this  
23 section. The authority may issue bonds in principal  
24 amounts which, in the opinion of the board, are  
25 necessary to provide sufficient funds for the honey  
26 creek premier destination park bond fund established  
27 in section 463C.11, the payment of interest on the  
28 bonds, the establishment of reserves to secure the  
29 bonds, the costs of issuance of the bonds, other  
30 expenditures of the authority incident to and  
31 necessary or convenient to carry out the bond issue  
32 for the fund, and all other expenditures of the board  
33 necessary or convenient to administer the fund;  
34 provided, however, excluding the issuance of refunding  
35 bonds, bonds issued pursuant to this section shall not  
36 be issued in an aggregate principal amount which  
37 exceeds twenty-eight million dollars.

38 2. The bonds are investment securities and  
39 negotiable instruments within the meaning of and for  
40 the purposes of the uniform commercial code.

41 3. The authority may pledge amounts deposited in  
42 the honey creek premier destination park bond fund  
43 established in section 463C.11 as security for the  
44 payment of the principal of premium, if any, and  
45 interest on the bonds. Bonds issued under this  
46 section are payable solely and only out of the moneys,  
47 assets, or revenues of the honey creek premier  
48 destination park bond fund and any bond reserve funds  
49 established pursuant to section 463C.13, all of which  
50 may be deposited with trustees or depositories in

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1 accordance with bond or security documents, and are  
2 not an indebtedness of this state, or a charge against  
3 the general credit or general fund of the state, and  
4 the state shall not be liable for the bonds except  
5 from amounts on deposit in the funds. Bonds issued  
6 under this section shall contain a statement that the

7 bonds do not constitute an indebtedness of the state.

8 4. The bonds shall be:

9 a. In a form, issued in denominations, executed in  
10 a manner, payable over terms and with rights of  
11 redemption, and subject to such other terms and  
12 conditions as prescribed in the trust indenture,  
13 resolution, or other instrument authorizing their  
14 issuance.

15 b. Negotiable instruments under the laws of this  
16 state and may be sold at prices, at public or private  
17 sale, and in a manner as prescribed by the authority.  
18 Chapters 73A, 74, 74A, and 75 do not apply to the sale  
19 or issuance of the bonds.

20 c. Subject to the terms, conditions, and covenants  
21 providing for the payment of the principal, redemption  
22 premiums, if any, interest, and other terms,  
23 conditions, covenants, and protective provisions  
24 safeguarding payment, not inconsistent with this  
25 section and as determined by the trust indenture,  
26 resolution, or other instrument authorizing their  
27 issuance.

28 5. The bonds are securities in which public  
29 officers and bodies of this state, political  
30 subdivisions of this state, insurance companies and  
31 associations and other persons carrying on an  
32 insurance business, banks, trust companies, savings  
33 associations, savings and loan associations, and  
34 investment companies, administrators, guardians,  
35 executors, trustees, and other fiduciaries, and other  
36 persons authorized to invest in bonds or other  
37 obligations of the state, may properly and legally  
38 invest funds, including capital, in their control or  
39 belonging to them.

40 6. Bonds must be authorized by a trust indenture,  
41 resolution, or other instrument of the authority that  
42 is approved by the authority. However, a trust  
43 indenture, resolution, or other instrument authorizing  
44 the issuance of bonds may delegate to an officer of  
45 the authority the power to negotiate and fix the  
46 details of an issuance of bonds.

47 7. Neither the resolution, trust agreement, or any  
48 other instrument by which a pledge is created is  
49 required to be recorded or filed under the uniform  
50 commercial code to be valid, binding, or effective.

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1 8. All bonds issued by the authority in connection  
2 with the program are exempt from taxation by the state  
3 of Iowa and the interest on the bonds is exempt from  
4 state income taxes and state inheritance and estate  
5 taxes.

6 9. The authority may issue bonds for the purpose  
7 of refunding any bonds or notes issued pursuant to  
8 this section then outstanding, including the payment  
9 of any redemption premiums thereon and any interest  
10 accrued or to accrue to the date of redemption of the  
11 outstanding bonds or notes. Until the proceeds of  
12 bonds issued for the purpose of refunding outstanding  
13 bonds or notes are applied to the purchase or  
14 retirement of outstanding bonds or notes or the  
15 redemption of outstanding bonds or notes, the proceeds  
16 may be placed in escrow and be invested and reinvested  
17 in accordance with the provisions of this section.  
18 The interest, income, and profits earned or realized  
19 on an investment may also be applied to the payment of  
20 the outstanding bonds or notes to be refunded by  
21 purchase, retirement, or redemption. After the terms  
22 of the escrow have been fully satisfied and carried  
23 out, any balance of proceeds and interest earned or  
24 realized on the investments may be returned to the  
25 board for deposit in the honey creek premier  
26 destination park bond fund established in section  
27 463C.11. All refunding bonds shall be issued and  
28 secured and subject to the provisions of this chapter  
29 in the same manner and to the same extent as other  
30 bonds issued pursuant to this section.

31 Sec. \_\_. NEW SECTION. 463C.13 BOND RESERVE  
32 FUNDS.

33 1. The authority may create and establish one or  
34 more special funds, to be known as bond reserve funds,  
35 and shall pay into each bond reserve fund any moneys  
36 appropriated and made available by the authority for  
37 the purpose of the bond reserve fund, any proceeds of  
38 sale of notes or bonds to the extent provided in the  
39 trust indenture, resolution, or other instrument of  
40 the treasurer of state authorizing their issuance, and  
41 any other moneys which may be available to the  
42 authority for the purpose of the bond reserve fund  
43 from any other sources. All moneys held in a bond  
44 reserve fund, except as otherwise provided in this  
45 section, shall be used as required solely for the  
46 payment of the principal of bonds secured in whole or  
47 in part by the bond reserve fund or of the sinking  
48 fund payments with respect to the bonds, the purchase  
49 or redemption of the bonds, the payment of interest on  
50 the bonds, or the payments of any redemption premium

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1 required to be paid when the bonds are redeemed prior  
2 to maturity.

3 2. Moneys in a bond reserve fund shall not be  
4 withdrawn from the bond reserve fund at any time in an

5 amount that will reduce the amount of the bond reserve  
6 fund to less than the bond reserve fund requirement  
7 established for the bond reserve fund, as provided in  
8 this section, except for the purpose of making, with  
9 respect to bonds secured in whole or in part by the  
10 bond reserve fund, payment when due of principal,  
11 interest, redemption premiums, and the sinking fund  
12 payments with respect to the bonds for the payment of  
13 which other moneys are not available. Any income or  
14 interest earned by, or incremental to, a bond reserve  
15 fund due to the investment of moneys in the bond  
16 reserve fund may be transferred by the authority to  
17 other reserve funds or the honey creek premier  
18 destination park bond fund to the extent the transfer  
19 does not reduce the amount of that bond reserve fund  
20 below the bond reserve fund requirement for the bond  
21 reserve fund.

22 3. The authority shall not at any time issue  
23 bonds, secured in whole or in part by a bond reserve  
24 fund, if, upon the issuance of the bonds, the amount  
25 in the bond reserve fund will be less than the bond  
26 reserve fund requirement for the bond reserve fund,  
27 unless the authority at the time of issuance of the  
28 bonds deposits in the bond reserve fund from the  
29 proceeds of the bonds issued or from other sources an  
30 amount which, together with the amount then in the  
31 bond reserve fund, will not be less than the bond  
32 reserve fund requirement for the bond reserve fund.  
33 For the purposes of this section, the term "bond  
34 reserve fund requirement" means, as of any particular  
35 date of computation, an amount of money, as provided  
36 in the trust indenture, resolution, or other  
37 instrument of the authority authorizing the bonds with  
38 respect to which the bond reserve fund is established,  
39 equal to not more than ten percent of the outstanding  
40 principal amount of bonds secured in whole or in part  
41 by the bond reserve fund.

42 4. To assure the continued operation and solvency  
43 of the authority for the carrying out of its corporate  
44 purposes, provision is made in subsection 1 for the  
45 accumulation in each bond reserve fund of an amount  
46 equal to the bond reserve fund requirement for the  
47 fund. In order further to assure maintenance of the  
48 bond reserve funds, the chairperson of the authority  
49 shall, on or before July 1 of each calendar year, make  
50 and deliver to the governor the chairperson's

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1 certificate stating the sum, if any, required to  
2 restore each bond reserve fund to the bond reserve  
3 fund requirement for that fund. Within thirty days

4 after the beginning of the session of the general  
5 assembly next following the delivery of the  
6 certificate, the governor may submit to both houses  
7 printed copies of a budget including the sum, if any,  
8 required to restore each bond reserve fund to the bond  
9 reserve fund requirement for that fund. Any sums  
10 appropriated by the general assembly and paid to the  
11 authority pursuant to this section shall be deposited  
12 by the authority in the applicable bond reserve fund.  
13 Sec. \_\_. NEW SECTION. 463C.14 PLEDGES.  
14 It is the intention of the general assembly that a  
15 pledge made in respect of bonds or notes shall be  
16 valid and binding from the time the pledge is made,  
17 that the money or property so pledged and received  
18 after the pledge by the treasurer of state shall  
19 immediately be subject to the lien of the pledge  
20 without physical delivery or further act, and that the  
21 lien of the pledge shall be valid and binding as  
22 against all parties having claims of any kind in tort,  
23 contract, or otherwise against the treasurer of state  
24 whether or not the parties have notice of the lien.  
25 Sec. \_\_. NEW SECTION. 463C.15 MONEYS OF THE  
26 AUTHORITY.  
27 1. Moneys of the authority from whatever source  
28 derived, except as otherwise provided in this chapter,  
29 shall be paid to the authority and shall be deposited  
30 in the honey creek premier destination park bond fund.  
31 The moneys shall be withdrawn on the order of the  
32 person authorized by the authority. Deposits shall,  
33 if required by the authority, be secured in the manner  
34 determined by the authority. The auditor of state and  
35 the auditor's legally authorized representatives may  
36 periodically examine the accounts and books of the  
37 authority, including its receipts, disbursements,  
38 contracts, leases, sinking funds, investments and any  
39 other records and papers relating to its financial  
40 standing, and the authority shall not be required to  
41 pay a fee for the examination.  
42 2. The authority may contract with holders of its  
43 bonds or notes as to the custody, collection,  
44 security, investment, and payment of moneys of the  
45 authority, of moneys held in trust or otherwise for  
46 the payment of bonds or notes, and to carry out the  
47 contract. Moneys held in trust or otherwise for the  
48 payment of bonds or notes or in any way to secure  
49 bonds or notes and deposits of the moneys may be  
50 secured in the same manner as moneys of the authority,

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1 and banks and trust companies may give security for  
2 the deposits.

3 3. Subject to the provisions of any contract with  
4 bondholders or noteholders and to the approval of the  
5 director of the department of administrative services,  
6 the authority shall prescribe a system of accounts.  
7 4. The authority shall submit to the governor, the  
8 auditor of state, the department of management, and  
9 the department of administrative services, within  
10 thirty days of its receipt by the authority, a copy of  
11 the report of every external examination of the books  
12 and accounts of the authority other than copies of the  
13 reports of examinations made by the auditor of state.  
14 Sec. \_\_. NEW SECTION. 463C.16 ANNUAL REPORT.  
15 1. The authority shall submit to the governor, the  
16 general assembly, and the attorney general, on or  
17 before December 31, annually, a report including  
18 information regarding all of the following:  
19 a. Its operations and accomplishments.  
20 b. Its receipts and expenditures during the  
21 previous fiscal year, in accordance with  
22 classifications it establishes for its operating and  
23 capital accounts.  
24 c. Its assets and liabilities at the end of the  
25 previous fiscal year and the status of reserve,  
26 special, and other funds.  
27 d. A schedule of its bonds outstanding at the end  
28 of the previous fiscal year, and a statement of the  
29 amounts redeemed and issued during the previous fiscal  
30 year.  
31 e. A statement of its proposed and projected  
32 activities.  
33 f. Recommendations to the governor and the general  
34 assembly, as deemed necessary.  
35 g. A statement of all projects funded in the  
36 previous fiscal year.  
37 h. Any other information deemed necessary.  
38 2. The annual report shall identify performance  
39 goals of the authority, and clearly indicate the  
40 extent of progress during the reporting period in  
41 attaining these goals.  
42 Sec. \_\_. NEW SECTION. 463C.17 EXEMPTION FROM  
43 COMPETITIVE BID LAWS.  
44 The authority and contracts entered into by the  
45 authority in carrying out its public and essential  
46 governmental functions are exempt from the laws of the  
47 state which provide for competitive bids and hearings  
48 in connection with contracts, except as provided in  
49 section 12.30.  
50 Sec. \_\_. NEW SECTION 463C.18 BANKRUPTCY.

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1 Prior to the date which is three hundred sixty-six

2 days after which the authority no longer has any bonds  
3 outstanding, the authority is prohibited from filing a  
4 voluntary petition under chapter 9 of the federal  
5 bankruptcy code or such corresponding chapter or  
6 section as may, from time to time, be in effect, and a  
7 public official or organization, entity, or other  
8 person shall not authorize the authority to be or  
9 become a debtor under chapter 9 or any successor or  
10 corresponding chapter or sections during such periods.

11 The provisions of this section shall be part of any  
12 contractual obligation owed to the holders of bonds  
13 issued under this chapter. Any such contractual  
14 obligation shall not subsequently be modified by state  
15 law, during the period of the contractual obligation.

16 Sec. \_\_. NEW SECTION. 463C.19 DISSOLUTION OF  
17 THE AUTHORITY.

18 The authority shall dissolve no later than two  
19 years after the date of final payment of all  
20 outstanding bonds and the satisfaction of all  
21 outstanding obligations of the authority, except to  
22 the extent necessary to remain in existence to fulfill  
23 any outstanding covenants or provisions with  
24 bondholders or third parties made in accordance with  
25 this chapter. Upon dissolution of the authority, all  
26 assets of the authority shall be returned to the state  
27 and shall be deposited in the general fund of the  
28 state, unless otherwise directed by the general  
29 assembly, and the authority shall execute any  
30 necessary assignments or instruments, including any  
31 assignment of any right, title, or ownership to the  
32 state for receipt of payments.

33 Sec. \_\_. NEW SECTION. 463C.20 LIBERAL  
34 INTERPRETATION.

35 This chapter, being deemed necessary for the  
36 welfare of the state and its people, shall be  
37 liberally construed to effect its purpose.

38 Sec. \_\_. MATCHING FUNDS. Moneys appropriated in  
39 this Act, if enacted, to be used for the purpose of  
40 funding the development and construction of the honey  
41 creek premier destination park shall be available only  
42 for projects that contain a match of four dollars of  
43 private funds for each three dollars of state funds.

44 Sec. \_\_. EFFECTIVE DATE. This division of this  
45 Act, being deemed of immediate importance, takes  
46 effect upon enactment."

47 51. Title page, line 5, by inserting after the  
48 word "matters," the following: "and creating the  
49 honey creek premier destination park bond program and  
50 authority and providing for the issuance of tax-exempt

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- 1 bonds,".
- 2 52. By renumbering, relettering, or redesignating
- 3 and correcting internal references as necessary.

Dix of Butler offered amendment [H-1681](#), to the Senate amendment [H-1679](#), filed by him from the floor and requested division as follows:

[H-1681](#)

- 1 Amend the Senate amendment, [H-1679](#), to House File
- 2 875, as amended, passed, and reprinted by the House,
- 3 as follows:

[H-1681A](#)

- 4 1. Page 1, line 40, by striking the figure
- 5 "1,161,045" and inserting the following: "1,061,045".
- 6 2. Page 2, by striking lines 13 and 14.
- 7 3. Page 3, line 25, by striking the figure
- 8 "1,521,045" and inserting the following: "1,621,045".

[H-1681B](#)

- 9 4. By striking page 7, line 15, through page 19,
- 10 line 1.

Dix of Butler asked and received unanimous consent that amendment [H-1681A](#), to Senate amendment [H-1679](#), be deferred.

Lensing of Johnson asked and received unanimous consent that amendment [H-1680](#), to Senate amendment [H-1679](#), be deferred.

Dix of Butler moved the adoption of amendment [H-1681B](#), to the Senate amendment [H-1679](#).

A non-record roll call was requested.

The ayes were 26, nays 54.

Amendment [H-1681B](#) lost.

Huser of Polk asked and received unanimous consent to withdraw amendment [H-1684](#) filed by her and Lukan of Dubuque from the floor.

Dix of Butler asked and received unanimous consent to withdraw amendment [H-1681A](#).

Lensing of Johnson offered the following amendment [H-1680](#), to the Senate amendment [H-1679](#), previously deferred, filed by her and Winkler of Scott from the floor and moved its adoption:

[H-1680](#)

1 Amend the Senate amendment, [H-1679](#), to House File  
2 875, as amended, passed, and reprinted by the House,  
3 as follows:  
4 1. Page 5, by inserting after line 32, the  
5 following:  
6 "Sec. \_\_\_. Section 8D.3, subsection 3, paragraph  
7 d, Code 2005, is amended to read as follows:  
8 d. Review and approve for adoption, rules as  
9 proposed and submitted by an authorized user ~~group~~  
10 necessary for the authorized ~~user group's~~ user's  
11 access and use of the network. The commission may  
12 refuse to approve and adopt a proposed rule, and upon  
13 such refusal, shall return the proposed rule to the  
14 respective authorized user ~~group~~ proposing the rule  
15 with a statement indicating the commission's reason  
16 for refusing to approve and adopt the rule.  
17 Sec. \_\_\_. Section 8D.3, subsection 3, paragraph f,  
18 Code 2005, is amended by striking the paragraph."  
19 2. Page 5, by inserting after line 48, the  
20 following:  
21 "Sec. \_\_\_. Section 8D.6, subsection 1, Code 2005,  
22 is amended by striking the subsection.  
23 Sec. \_\_\_. Section 8D.6, subsection 2, Code 2005,  
24 is amended to read as follows:  
25 ~~2.~~ The commission may establish ~~other~~ and abolish  
26 advisory committees as necessary representing  
27 authorized users of the network and providing other  
28 expertise needed to assist the commission in  
29 accomplishing its duties."  
30 3. Page 6, by striking line 9, and inserting the  
31 following: "department of administrative services.  
32 Sec. \_\_\_. Section 8D.7, Code 2005, is repealed.""

Amendment [H-1680](#) lost.

On motion by Huseman of Cherokee the House concurred in the Senate amendment [H-1679](#).

Huseman of Cherokee moved that the bill, as amended by the Senate and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 875](#))

The ayes were, 95:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Chambers	Cohoon	Dandekar
Davitt	De Boef	Dix	Dolecheck
Drake	Eichhorn	Elgin	Ford
Freeman	Frevert	Gaskill	Gipp
Granzow	Greiner	Heaton	Heddens
Hoffman	Hogg	Hunter	Huseman
Huser	Hutter	Jacobs	Jacoby
Jenkins	Jochum	Jones	Kaufmann
Kressig	Kuhn	Kurtenbach	Lalk
Lensing	Lukan	Lykam	Maddox
Mascher	May	McCarthy	Mertz
Miller	Murphy	Oldson	Olson, D.
Olson, R.	Olson, S.	Paulsen	Petersen
Pettengill	Quirk	Raecker	Rasmussen
Rayhons	Reasoner	Reichert	Roberts
Schickel	Schueller	Shomshor	Shultz
Smith	Soderberg	Struyk	Swaim
Taylor, T.	Thomas	Tjepkes	Tomenga
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Watts	Wendt	Wessel-Kroeschell
Whitaker	Whitead	Wilderdyke	Winckler
Wise	Zirkelbach	Mr. Speaker	
		Rants	

The nays were, 2:

Fallon                      Taylor, D.

Absent or not voting, 3:

Foege                      Horbach                      Sands

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

The House stood at ease at 3:55 p.m., until the fall of the gavel.

The House resumed session at 6:05 p.m., Speaker Rants in the chair.

#### QUORUM CALL

A non-record roll call was requested to determine that a quorum was present. The vote revealed ninety-seven members present, three absent.

#### SENATE AMENDMENT CONSIDERED

The House resumed consideration of [House File 761](#), a bill for an act relating to children's programs by collocating early childhood programs available through the community empowerment initiative, and requiring the department of human services to develop and implement a voluntary child care quality rating system, amended by the Senate amendment [H-1639](#), previously deferred, and found on pages 1780 through 1781 of the House Journal. (The Senate amendment [H-1634](#) and amendment [H-1639A](#) to the Senate amendment pending.)

Hogg of Linn asked and received unanimous consent to withdraw amendment [H-1639A](#) to the Senate amendment filed by him on May 10, 2005.

Tymeson of Madison offered the following amendment [H-1693](#), to the Senate amendment [H-1634](#), filed by Tymeson, Heaton of Henry, Hogg of Linn, Kaufmann of Cedar, Petersen of Polk and Upmeyer of Hancock from the floor and moved its adoption:

#### [H-1693](#)

- 1 Amend the Senate amendment, [H-1634](#), to House File
- 2 761, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. By striking page 1, line 3, through page 11,
- 5 line 2, and inserting the following:
- 6 "\_\_\_". By striking everything after the enacting
- 7 clause and inserting the following:
- 8 "DIVISION I
- 9 IOWA EMPOWERMENT BOARD
- 10 Sec. \_\_\_. Section 28.1, Code 2005, is amended by
- 11 adding the following new subsection:
- 12 NEW SUBSECTION. 3A. "Early care", "early care
- 13 services", or "early care system" means the programs,
- 14 services, support, or other assistance made available

15 to a parent or other person who is involved with  
16 addressing the health and education needs of a child  
17 from birth through age five. "Early care", "early  
18 care services", or "early care system" includes but is  
19 not limited to public and private efforts and formal  
20 and informal settings.

21 Sec. \_\_. Section 28.2, subsection 3, Code 2005,  
22 is amended to read as follows:

23 3. To achieve the initial set of desired results,  
24 the initiative's primary focus shall first be on the  
25 efforts of the state and communities to work together  
26 to improve the efficiency and effectiveness of early  
27 care, education, health, and human services provided  
28 to families with children from birth through age five  
29 years.

30 Sec. \_\_. Section 28.3, subsections 1 and 2, Code  
31 2005, are amended to read as follows:

32 1. An Iowa empowerment board is created to  
33 facilitate state and community efforts involving  
34 community empowerment areas, including strategic  
35 planning, funding identification, and guidance, and to  
36 promote collaboration among state and local early  
37 care, education, health, and human services programs.  
38 2. The Iowa board shall consist of eighteen voting  
39 members with thirteen citizen members and five state  
40 agency members. The five state agency members shall  
41 be the directors of the following departments:  
42 economic development, education, human rights, human  
43 services, and public health. The thirteen citizen  
44 members shall be appointed by the governor, subject to  
45 confirmation by the senate. The governor's  
46 appointments of citizen members shall be made in a  
47 manner so that each of the state's congressional  
48 districts is represented by two citizen members and so  
49 that all the appointments as a whole reflect the  
50 ethnic, cultural, social, and economic diversity of

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1 the state. The governor's appointees shall be  
2 selected from individuals nominated by community  
3 empowerment area boards. The nominations shall  
4 reflect the range of interests represented on the  
5 community boards so that the governor is able to  
6 appoint one or more members each for early care,  
7 education, health, human services, business, faith,  
8 and public interests. At least one of the citizen  
9 members shall be a service consumer or the parent of a  
10 service consumer. Terms of office of all citizen  
11 members are three years. A vacancy on the board shall  
12 be filled in the same manner as the original  
13 appointment for the balance of the unexpired term.

14 Sec. \_\_\_. Section 28.3, subsection 5, Code 2005,  
15 is amended to read as follows:

16 5. A community empowerment assistance team or  
17 teams of state agency representatives shall be  
18 designated to provide technical assistance and other  
19 support to community empowerment areas and for the  
20 board's efforts to address early care, education,  
21 health, and human services. A technical assistance  
22 system shall be developed using local representatives  
23 of the state agencies represented on the Iowa board  
24 and other state agencies and individuals involved with  
25 local ~~community empowerment areas~~ early care,  
26 education, health, and human services. ~~The technical~~  
27 ~~assistance shall be available in at least three levels~~  
28 ~~of support as follows:~~

29 ~~a. Support to areas experienced in operating an~~  
30 ~~innovation zone or decategorization project with an~~  
31 ~~extensive record of success in collaboration between~~  
32 ~~education, health, or human services interests.~~  
33 ~~b. Support to areas experienced in operating an~~  
34 ~~innovation zone or decategorization project.~~  
35 ~~c. Support to areas forming an initial community~~  
36 ~~empowerment area with no previous experience operating~~  
37 ~~an innovation zone or decategorization project.~~

38 Sec. \_\_\_. Section 28.3, subsection 6, paragraph b,  
39 Code 2005, is amended to read as follows:

40 b. In addition, a community empowerment office is  
41 established as a division of the department of  
42 management to provide a center for facilitation,  
43 communication, and coordination for community  
44 empowerment activities and funding and for improvement  
45 of the early care, education, health, and human  
46 services systems. Staffing for the community  
47 empowerment office shall be provided by a facilitator  
48 or coordinator appointed by the governor, subject to  
49 confirmation by the senate, and who serves at the  
50 pleasure of the governor. A deputy and support staff

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1 may be designated, subject to appropriation made for  
2 this purpose. The facilitator or coordinator shall  
3 submit reports to the governor, the Iowa board, and  
4 the general assembly. The facilitator shall provide  
5 primary staffing to the board, coordinate state  
6 technical assistance activities and implementation of  
7 the technical assistance system, and other  
8 communication and coordination functions to move  
9 authority and decision-making responsibility from the  
10 state to communities and individuals.

11 Sec. \_\_\_. Section 28.3, Code 2005, is amended by  
12 adding the following new subsection:

13 NEW SUBSECTION. 6A. The director of the  
14 department of management shall designate early care  
15 staff, as part of the community empowerment  
16 initiative, to provide coordination and other support  
17 to the state's early care system. The early care  
18 staff shall work with the state and local components  
19 of the community empowerment initiative, shared  
20 visions programs funded under chapter 256A, and other  
21 public and private efforts to improve the early care  
22 system. The early care staff duties shall include but  
23 are not limited to the following:

24 a. Providing support to the public and private  
25 stakeholders who are involved with the early care  
26 system, acting to strengthen the early care system,  
27 and developing accountability measures for early care  
28 efforts.

29 b. Developing and disseminating accountability  
30 measures for assessing the outcomes produced by the  
31 department of education, the community empowerment  
32 initiative, and other publicly funded efforts to  
33 improve early care of young children, including but  
34 not limited to shared visions and other programs  
35 provided under the auspices of the child development  
36 coordinating council, high-quality preschool programs,  
37 head start programs, and school ready children grant  
38 programs. The initial measures utilized shall be the  
39 individual growth and development indicators developed  
40 by the early childhood research institute on measuring  
41 growth and development or other measures of high  
42 quality to be authorized by law.

43 c. Collecting, interpreting, and redisseminating  
44 data collected from the measures for assessing  
45 outcomes under paragraph "b". Factors subject to  
46 interpretation may include area demographics, relative  
47 expenditures, collaboration between programs in an  
48 area, and other factors impacting the outcomes  
49 produced by an individual program.

50 d. Annually providing information to the governor

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1 and general assembly regarding the outcomes produced  
2 by individual programs. The information shall be  
3 included in the Iowa empowerment board's annual  
4 report.

5 Sec. \_\_. Section 28.4, subsection 4, Code 2005,  
6 is amended to read as follows:

7 4. Identify boards, commissions, committees, and  
8 other bodies in state government with overlapping and  
9 similar purposes which contribute to redundancy and  
10 fragmentation in early care, education, health, and  
11 human services programs provided to the public. The

12 board shall also make recommendations and provide an  
13 annually updated strategic plan to the governor and  
14 general assembly as appropriate for increasing  
15 coordination between these bodies, for eliminating  
16 bureaucratic duplication, for consolidation where  
17 appropriate, and for improving the efficiency of  
18 working with federally mandated bodies, for  
19 integration of services and service quality functions  
20 to achieve improved results, and for integration of  
21 state-administered funding streams directed to  
22 community empowerment areas and other community-based  
23 efforts for providing early care, education, health,  
24 and human services.

25 Sec. \_\_. Section 28.4, subsection 12, paragraph  
26 d, Code 2005, is amended to read as follows:

27 d. The Iowa empowerment board shall regularly make  
28 information available identifying community  
29 empowerment funding and funding distributed ~~through~~  
30 ~~the funding streams listed under this paragraph "d" to~~  
31 ~~communities for purposes of the early care system.~~ It  
32 is the intent of the general assembly that the  
33 community empowerment area boards and the  
34 administrators of the early care programs located  
35 within the community empowerment areas that are  
36 supported by ~~the listed funding streams~~ public funding  
37 shall fully cooperate with one another ~~on or before~~  
38 ~~the indicated fiscal years~~, in order to avoid  
39 duplication, enhance efforts, combine planning, and  
40 take other steps to best utilize the funding to meet  
41 the needs of the families in the areas. The community  
42 empowerment area boards and the program administrators  
43 shall annually submit a report concerning such efforts  
44 to the community empowerment office. If a community  
45 empowerment area is receiving a school ready children  
46 grant, this report shall be an addendum to the annual  
47 report required under section 28.8. The state  
48 community empowerment facilitator or coordinator shall  
49 compile and summarize the reports which shall be  
50 submitted to the governor, general assembly, and Iowa

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1 board. ~~The funding streams shall include all of the~~  
2 ~~following:~~

3 (1) ~~Moneys for the healthy opportunities for~~  
4 ~~parents to experience success – healthy families Iowa~~  
5 ~~program under section 135.106 by the fiscal year~~  
6 ~~beginning July 1, 2000, and ending June 30, 2001.~~

7 (2) ~~Moneys for parent education appropriated in~~  
8 ~~section 279.51 and distributed through the child~~  
9 ~~development coordinating council, by the fiscal year~~  
10 ~~beginning July 1, 2000, and ending June 30, 2001.~~

11 ~~(3) Moneys for the preschool children at risk~~  
 12 ~~program appropriated in section 270.51 and distributed~~  
 13 ~~through the child development coordinating council, by~~  
 14 ~~the fiscal year beginning July 1, 2001, and ending~~  
 15 ~~June 30, 2002.~~

16 ~~(4) Moneys for home visitation and parent support~~  
 17 ~~annually appropriated to the department of human~~  
 18 ~~services and distributed or expended through child~~  
 19 ~~abuse prevention grants and the family preservation~~  
 20 ~~program, by the fiscal year beginning July 1, 2000,~~  
 21 ~~and ending June 30, 2001.~~

22 Sec. \_\_. Section 28.4, Code 2005, is amended by  
 23 adding the following new subsections:

24 NEW SUBSECTION. 13. Integrate statewide quality  
 25 standards and results indicators adopted by other  
 26 boards and commissions into the Iowa empowerment  
 27 board's funding requirements for investments in early  
 28 care, education, health, and human services.  
 29 NEW SUBSECTION. 14. With the assistance of the  
 30 state departments represented on the Iowa empowerment  
 31 board and the community empowerment office, develop  
 32 and implement requirements for community empowerment  
 33 areas and the state administrators of programs  
 34 providing early care or early care services to  
 35 annually report to the public and the early care  
 36 coordinator regarding the results produced by the  
 37 community empowerment initiative and by the programs.  
 38 Source data shall be made available to the early care  
 39 coordinator.

40 Sec. \_\_. Section 28.5, subsection 1, Code 2005,  
 41 is amended to read as follows:

42 1. The purpose of a community empowerment area is  
 43 to enable local citizens to lead collaborative efforts  
 44 involving early care, education, health, and human  
 45 services programs on behalf of the children, families,  
 46 and other citizens residing in the area. Leadership  
 47 functions may include but are not limited to strategic  
 48 planning for and oversight and managing of such  
 49 programs and the funding made available to the  
 50 community empowerment area for such programs from

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1 federal, state, local, and private sources. The  
 2 initial focus of the purpose is to improve results for  
 3 families with young children.

4 Sec. \_\_. Section 28.6, subsection 1, paragraph a,  
 5 Code 2005, is amended to read as follows:

6 a. Community empowerment area functions shall be  
 7 performed under the authority of a community  
 8 empowerment area board. A majority of the members of  
 9 a community board shall be elected officials and

10 members of the public who are not employed by a  
11 provider of services to or for the community board.  
12 At least one member shall be a service consumer or the  
13 parent of a service consumer. Terms of office of  
14 community board members shall be not more than three  
15 years and the terms shall be staggered. The  
16 membership of a community empowerment area board shall  
17 include members with early care, education, health,  
18 human services, business, faith, and public interests.  
19 Sec. \_\_\_. Section 28.8, subsection 5, paragraph a,  
20 Code 2005, is amended to read as follows:

21 a. A school ready children grant shall be awarded  
22 to a community board for a three-year period, with  
23 annual payments made to the community board. The Iowa  
24 empowerment board may grant an extension from the  
25 award date and any application deadlines based upon  
26 the award date, to allow for a later implementation  
27 date in the initial year in which a community board  
28 submits a comprehensive school ready grant plan to the  
29 Iowa empowerment board. However, receipt of continued  
30 funding is subject to submission of the required  
31 annual report and the Iowa board's determination that  
32 the community board is measuring, through the use of  
33 performance and results indicators developed by the  
34 Iowa board with input from community boards, progress  
35 toward and is achieving the desired results identified  
36 in the grant plan. If progress is not measured  
37 through the use of performance and results indicators  
38 toward achieving the identified results, the Iowa  
39 board may request a plan of corrective action,  
40 withhold any increase in funding, or ~~may~~ withdraw  
41 grant funding.

42 Sec. \_\_\_. Section 28.8, subsection 5, paragraph c,  
43 unnumbered paragraph 1, Code 2005, is amended to read  
44 as follows:

45 A community board's readiness shall be ascertained  
46 by evidence of successful collaboration among public  
47 or private early care, education, ~~human services, or~~  
48 health, or human services interests or a documented  
49 program design evincing a strong likelihood of leading  
50 to a successful collaboration between these interests.

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1 Other criteria which may be used by the Iowa board to  
2 ascertain readiness and to determine funding amounts  
3 include one or more of the following:

4 Sec. \_\_\_. Section 28.8, subsection 5, Code 2005,  
5 is amended by adding the following new paragraph:  
6 NEW PARAGRAPH. e. The Iowa empowerment board  
7 shall identify and apply limitations on the  
8 carryforward of school ready children grant funding.

9 The limitations shall address an unusually high  
10 percentage of a grant being carried forward, the  
11 number of years a grant has been carried forward which  
12 shall not exceed three years, and other objective  
13 criteria. The limitations shall make allowances for  
14 special circumstances such as the carryforward of  
15 funding that is designated for a particular purpose  
16 and is scheduled in the grant plan. The board may  
17 provide for redistribution or other redirection of the  
18 funding that meets the criteria.

19 Sec. \_\_. NEW SECTION. 28.10 EARLY CARE --  
20 INTERNET WEBPAGE.

21 1. The Iowa empowerment board shall provide for  
22 the operation of an internet webpage for purposes of  
23 widely distributing early care information provided by  
24 the departments represented on the board and the  
25 public and private agencies addressing the early care  
26 system.

27 2. Information provided on the internet webpage  
28 shall include but is not limited to all of the  
29 following:

30 a. The early learning standards for children ages  
31 three to five proposed by the early learning standards  
32 group created pursuant to federal child care and  
33 development block grant requirements and with  
34 assistance from the Iowa child care and early  
35 education network, department of education, department  
36 of human services, Iowa head start association, and  
37 Iowa state university of science and technology, as  
38 prepared with consideration of the standards and  
39 recommendations issued by the United States department  
40 of education regarding early childhood cognitive  
41 development and learning and preschool and research-  
42 based standards for high-quality early care, including  
43 but not limited to the practices identified by the  
44 institute of education sciences of the United States  
45 department of education. As early learning standards  
46 are identified in law, the proposed standards posted  
47 on the webpage shall be replaced with the standards  
48 identified in law.

49 b. A link to a special webpage directed to  
50 parents, including parent-specific information on

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1 early care, information regarding the early childhood  
2 development credits under section 422.12C, and links  
3 to other resources available on the internet and from  
4 other sources.

5 c. Program standards for early care that have been  
6 approved by state agencies.

7 d. A single point of contact for use by a parent

8 in accessing the community empowerment area programs  
9 and early care programs that are available in the  
10 parent's area.

11 3. The Iowa empowerment board shall include  
12 information regarding the extent and frequency of  
13 usage of the webpage or webpages in the board's annual  
14 report to the governor and general assembly.

15 Sec. \_\_. NEW SECTION. 279.60 KINDERGARTEN  
16 ASSESSMENT.

17 Each school district shall administer the dynamic  
18 indicators of basic early literacy skills kindergarten  
19 benchmark assessment or other kindergarten benchmark  
20 assessment adopted by the department of education in  
21 consultation with the Iowa empowerment board to every  
22 kindergarten student enrolled in the district not  
23 later than October 1. The school district shall also  
24 collect information from each parent, guardian, or  
25 legal custodian of a kindergarten student enrolled in  
26 the district, including but not limited to whether the  
27 student attended preschool, factors identified by the  
28 early care staff pursuant to section 28.3, and other  
29 demographic factors. Each school district shall  
30 report the results of the assessment and the preschool  
31 information collected to the department of education  
32 in the manner prescribed by the department not later  
33 than January 1 of that school year. The early care  
34 staff designated pursuant to section 28.3 shall have  
35 access to the raw data. The department shall review  
36 the information submitted pursuant to this section and  
37 shall submit its findings and recommendations annually  
38 in a report to the governor, the general assembly, the  
39 Iowa empowerment board, and the community empowerment  
40 area boards.

41 Sec. \_\_. EARLY CARE AND CHILD CARE PROVIDER  
42 INCENTIVES. The Iowa empowerment board shall conduct  
43 a study of incentives that can be made available to  
44 persons who provide early care, as defined in section  
45 28.1, as amended in this Act, and child care,  
46 including but not limited to providers of child care  
47 regulated by the department of human services or the  
48 department of education, preschools, head start  
49 programs, and other persons who have no or limited  
50 benefit packages and provide services to children.

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1 The incentives studied shall include but are not  
2 limited to forgivable loans for higher education  
3 expenses, health care benefits, and retirement  
4 benefits. The board shall report to the governor and  
5 general assembly on or before December 16, 2005, with  
6 findings, recommendations, and a fiscal analysis of

7 options.

8 Sec. \_\_. EARLY CARE INTEGRATION PLAN. The  
9 community empowerment office of the department of  
10 management, with the assistance of the departments  
11 represented on the Iowa empowerment board, shall  
12 develop a plan to integrate the efforts of the state  
13 agency staff who have job functions directed to the  
14 early care system, as defined in section 28.1, as  
15 amended in this Act. The plan shall be submitted to  
16 the chairpersons and ranking members of the committees  
17 on human resources and education of the senate and the  
18 house of representatives on or before December 16,  
19 2006.

20 Sec. \_\_. IMPLEMENTATION OF INTERNET WEBPAGE. The  
21 internet webpage required pursuant to section 28.10,  
22 as enacted by this Act, shall be implemented on or  
23 before March 1, 2006.

#### 24 DIVISION II

##### 25 CHILD CARE QUALITY RATING

26 Sec. \_\_. Section 237A.30, Code 2005, is amended  
27 by striking the section and inserting in lieu thereof  
28 the following:

##### 29 237A.30 VOLUNTARY CHILD CARE QUALITY RATING 30 SYSTEM.

31 1. The department shall work with the community  
32 empowerment office of the department of management  
33 established in section 28.3 and the state child care  
34 advisory council in designing and implementing a  
35 voluntary quality rating system for each provider type  
36 of child care facility.

37 2. The criteria utilized for the rating system may  
38 include but are not limited to any of the following:  
39 facility type; provider staff experience, education,  
40 training, and credentials; facility director education  
41 and training; an environmental rating score or other  
42 direct assessment environmental methodology; national  
43 accreditation; facility history of compliance with law  
44 and rules; child-to-staff ratio; curriculum, including  
45 the extent to which the curriculum focuses on the  
46 stages of child development and on child outcomes;  
47 business practices; staff retention rates; evaluation  
48 of staff members and program practices; staff  
49 compensation and benefit practices; provider and staff  
50 membership in professional early childhood

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1 organizations; and parental involvement with the  
2 facility.

3 3. A facility's quality rating may be included on  
4 the internet page and in the consumer information  
5 provided by the department pursuant to section 237A.25

6 and shall be identified in the child care provider  
7 referrals made by child care resource and referral  
8 service grantees under section 237A.26.

9 Sec. \_\_. PHASED IMPLEMENTATION.

10 1. Effective July 1, 2005, the department of human  
11 services shall no longer accept applications for the  
12 gold seal quality designation for child care providers  
13 under section 237A.30, Code 2005. However, if a child  
14 care provider has been awarded the designation prior  
15 to July 1, 2005, the designation may continue to be  
16 utilized for that provider until the designated period  
17 of nationally recognized accreditation for which the  
18 gold seal designation was awarded has ended.

19 2. The department of human services shall commence  
20 implementation of the voluntary child care quality  
21 rating system under section 237A.30, as amended by  
22 this Act, by awarding ratings beginning on or after  
23 January 1, 2006. The department may modify  
24 implementation of the rating system and the rating  
25 system itself as necessary to conform to the funding  
26 made available for the rating system for the fiscal  
27 year beginning July 1, 2005.

28 Sec. \_\_. FEDERAL COORDINATION INITIATIVE. If an  
29 opportunity is offered by the federal government and  
30 the department of management, in consultation with the  
31 relevant state agency directors and the Iowa head  
32 start association, has determined that participation  
33 in the opportunity would not adversely affect head  
34 start programs in Iowa, the Iowa empowerment board and  
35 the state agencies represented on the board shall  
36 apply for Iowa to participate in a head start pilot  
37 program designed to promote coordination of state head  
38 start, preschool, and child care programs into a  
39 comprehensive early childhood system.

40 DIVISION III

41 EARLY CHILDHOOD DEVELOPMENT TAX CREDIT

42 Sec. \_\_. Section 422.12C, subsection 1, paragraph  
43 f, Code 2005, is amended to read as follows:

44 f. For a taxpayer with net income of forty  
45 thousand dollars or more, ~~zero but less than forty-~~  
46 ~~five thousand dollars, thirty~~ percent.

47 Sec. \_\_. Section 422.12C, subsection 1, Code  
48 2005, is amended by adding the following new  
49 paragraph:

50 NEW PARAGRAPH. g. For a taxpayer with net income

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1 of forty-five thousand dollars or more, zero percent.

2 Sec. \_\_. Section 422.12C, Code 2005, is amended  
3 by adding the following new subsection:

4 NEW SUBSECTION. 1A. a. In lieu of the child and

5 dependent care credit authorized in subsection 1, a  
6 taxpayer may claim an early childhood development tax  
7 credit equal to twenty-five percent of the first one  
8 thousand dollars which the taxpayer has paid to others  
9 for each dependent, as defined in the Internal Revenue  
10 Code, ages three through five for early childhood  
11 development expenses. In determining the amount of  
12 early childhood development expenses, such expenses  
13 paid during November and December of the previous tax  
14 year shall be considered paid in the tax year for  
15 which the tax credit is claimed. This credit is  
16 available to a taxpayer whose net income is less than  
17 forty-five thousand dollars. If the early childhood  
18 development tax credit is claimed for a tax year, the  
19 taxpayer and the taxpayer's spouse shall not claim the  
20 child and dependent care credit under subsection 1.  
21 As used in this subsection, "early childhood  
22 development expenses" means services provided to the  
23 dependent by a preschool, as defined in section  
24 237A.1, materials, and other activities as follows:  
25 (1) Books that improve child development,  
26 including textbooks, music books, art books, teacher's  
27 editions, and reading books.  
28 (2) Instructional materials required to be used in  
29 a child development or educational lesson activity,  
30 including but not limited to paper, notebooks,  
31 pencils, and art supplies.  
32 (3) Lesson plans and curricula.  
33 (4) Child development and educational activities  
34 outside the home, including drama, art, music, and  
35 museum activities, and the entrance fees for such  
36 activities, but not including food or lodging,  
37 membership fees, or other nonacademic expenses.  
38 "Early childhood development expenses" does not  
39 include services, materials, or activities for the  
40 teaching of religious tenets, doctrines, or worship,  
41 the purpose of which is to inculcate those tenets,  
42 doctrines, or worship.  
43 b. Each taxpayer intending to claim a credit under  
44 this subsection shall apply, on forms provided by the  
45 department, for the credit by filing a notice with the  
46 department no later than November 1 of the tax year to  
47 which the credit is applicable. The notice shall  
48 provide supporting documentation as required by the  
49 department. The department shall compute the total  
50 amount of credits contained in the notices received by

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1 the department. The total amount of credits that may  
2 be approved for any fiscal year for purposes of this  
3 subsection is limited to two million five hundred

4 thousand dollars. If tax credits under this  
5 subsection exceed this limit, each taxpayer shall  
6 receive a pro rata amount of the credit as determined  
7 by the department. The department shall notify the  
8 taxpayer of the amount of the taxpayer's credit no  
9 later than January 1 following the deadline for  
10 receipt of the notice.  
11 Sec. \_\_. Section 422.12C, subsection 3, Code  
12 2005, is amended to read as follows:  
13 3. Married taxpayers who have filed joint federal  
14 returns electing to file separate returns or to file  
15 separately on a combined return form must determine  
16 the child and dependent care credit under subsection 1  
17 or the early childhood development tax credit under  
18 subsection 1A based upon their combined net income and  
19 allocate the total credit amount to each spouse in the  
20 proportion that each spouse's respective net income  
21 bears to the total combined net income. Nonresidents  
22 or part-year residents of Iowa must determine their  
23 Iowa child and dependent care credit in the ratio of  
24 their Iowa source net income to their all source net  
25 income. Nonresidents or part-year residents who are  
26 married and elect to file separate returns or to file  
27 separately on a combined return form must allocate the  
28 Iowa child and dependent care credit between the  
29 spouses in the ratio of each spouse's Iowa source net  
30 income to the combined Iowa source net income of the  
31 taxpayers.  
32 Sec. \_\_. APPLICABILITY DATE. This division of  
33 this Act applies to tax years beginning on or after  
34 January 1, 2006."  
35 2. Title page, by striking lines 1 through 5 and  
36 inserting the following: "An Act relating to  
37 improvement of the early care, child care services,  
38 education, health, and human services systems,  
39 revising the child and dependent care tax credit,  
40 creating an early childhood development tax credit,  
41 and providing an applicability date."  
42 3. By renumbering as necessary.

Amendment [H-1693](#) was adopted, placing out of order the following amendments:

Amendment [H-1639B](#) filed by Hogg of Linn on May 10, 2005.  
Amendment [H-1642](#) filed by Winckler of Scott on May 10, 2005.  
Amendment [H-1643](#) filed by Petersen of Polk on May 10, 2005.  
Amendment [H-1644](#) filed by Petersen of Polk on May 10, 2005.  
Amendment [H-1646](#) filed by Smith of Marshall on May 10, 2005.  
Amendment [H-1647](#) filed by Mascher of Johnson on May 10, 2005.

Amendment [H-1648](#) filed by Smith of Marshall on May 10, 2005.

Amendment [H-1649](#) filed by Shoultz of Black Hawk and Jochum of Dubuque on May 10, 2005.

On motion by Tymeson of Madison the House concurred in the Senate amendment [H-1639](#), as amended.

Tymeson of Madison moved that the bill, as amended by the Senate, further amended and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 761](#))

The ayes were, 99:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Chambers	Cohoon	Dandekar
Davitt	De Boef	Dix	Dolecheck
Drake	Eichhorn	Elgin	Fallon
Ford	Freeman	Frevert	Gaskill
Gipp	Granzow	Greiner	Heaton
Heddens	Hoffman	Hogg	Horbach
Hunter	Huseman	Huser	Hutter
Jacobs	Jacoby	Jenkins	Jochum
Jones	Kaufmann	Kressig	Kuhn
Kurtenbach	Lalk	Lensing	Lukan
Lykam	Maddox	Mascher	May
McCarthy	Mertz	Miller	Murphy
Oldson	Olson, D.	Olson, R.	Olson, S.
Paulsen	Petersen	Pettengill	Quirk
Raecker	Rasmussen	Rayhons	Reasoner
Reichert	Roberts	Sands	Schickel
Schueller	Shomshor	Shoultz	Smith
Soderberg	Struyk	Swaim	Taylor, D.
Taylor, T.	Thomas	Tjepkes	Tomenga
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Watts	Wendt	Wessel-Kroeschell
Whitaker	Whitead	Wilderdyke	Winckler
Wise	Zirkelbach	Mr. Speaker	
		Rants	

The nays were, none.

Absent or not voting, 1:

Foege

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

#### IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 761](#) be immediately messaged to the Senate.

#### RULES SUSUPENDED

Gipp of Winneshiek asked and received unanimous consent to suspend the rules for the immediate consideration of [Senate File 342](#).

#### Appropriations Calendar

[Senate File 342](#), a bill for an act relating to appropriation matters by making and increasing appropriations for the fiscal year beginning July 1, 2004, and providing effective and applicability date provisions, with report of committee recommending passage, was taken up for consideration.

Dix of Butler offered amendment [H-1638](#) filed by the committee on appropriations as follows:

#### [H-1638](#)

- 1 Amend [Senate File 342](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, by striking lines 17 through 32.
- 4 2. Page 2, by striking lines 18 through 34.
- 5 3. By striking page 2, line 35, through page 3,
- 6 line 30.
- 7 4. By striking page 5, line 25, through page 6,
- 8 line 16.
- 9 5. By striking page 7, line 27, through page 8,
- 10 line 9.
- 11 6. Page 8, by striking lines 11 through 22.
- 12 7. By striking page 9, line 18, through page 10,
- 13 line 14.
- 14 8. Page 10, by inserting before line 15, the
- 15 following:
- 16 "DIVISION
- 17 EMPLOYMENT
- 18 Sec. \_\_. Section 22.7, Code 2005, is amended by
- 19 adding the following new subsection:
- 20 NEW SUBSECTION. 51. Confidential information, as

21 defined in section 86.45, subsection 1, filed with the  
 22 workers' compensation commissioner.  
 23 Sec. \_\_\_. Section 85.27, subsection 7, Code 2005,  
 24 is amended to read as follows:  
 25 7. If, after the third day of incapacity to work  
 26 following the date of sustaining a compensable injury  
 27 which does not result in permanent partial disability,  
 28 or if, at any time after sustaining a compensable  
 29 injury which results in permanent partial disability,  
 30 an employee, who is not receiving weekly benefits  
 31 under section 85.33 or section 85.34, subsection 1,  
 32 returns to work and is required to leave work for one  
 33 full day or less to receive services pursuant to this  
 34 section, the employee shall be paid an amount  
 35 equivalent to the wages lost at the employee's regular  
 36 rate of pay for the time the employee is required to  
 37 leave work. For the purposes of this subsection, "day  
 38 of incapacity to work" means eight hours of  
 39 accumulated absence from work due to incapacity to  
 40 work or due to the receipt of services pursuant to  
 41 this section. The employer shall make the payments  
 42 under this subsection as wages to the employee after  
 43 making such deductions from the amount as legally  
 44 required or customarily made by the employer from  
 45 wages. Payments made under this subsection shall be  
 46 required to be reimbursed pursuant to any insurance  
 47 policy covering workers' compensation. Payments under  
 48 this subsection shall not be construed to be payment  
 49 of weekly benefits.  
 50 Sec. \_\_\_. Section 85.35, Code 2005, is amended to

Page 2

1 read as follows:  
 2 ~~85.35 SETTLEMENT IN CONTESTED CASE SETTLEMENTS.~~  
 3 1. The parties to a contested case or persons who  
 4 are involved in a dispute which could culminate in a  
 5 contested case may enter into a settlement of any  
 6 claim arising under this chapter or chapter 85A, 85B,  
 7 or 86, providing for final disposition of the claim,  
 8 provided that no final disposition affecting rights to  
 9 future benefits may be had when the only dispute is  
 10 the degree of disability resulting from an injury for  
 11 which an award for payments or agreement for  
 12 settlement under section 86.13 has been made. The  
 13 settlement shall be in writing on forms prescribed by  
 14 the workers' compensation commissioner and submitted  
 15 to the workers' compensation commissioner for  
 16 approval.  
 17 2. The parties may enter into an agreement for  
 18 settlement that establishes the employer's liability.  
 19 fixes the nature and extent of the employee's current

20 right to accrued benefits, and establishes the  
21 employee's right to statutory benefits that accrue in  
22 the future.  
23 3. The parties may enter into a compromise  
24 settlement of the employee's claim to benefits as a  
25 full and final disposition of the claim.  
26 4. The parties may enter into a settlement that is  
27 a combination of an agreement for settlement and a  
28 compromise settlement that establishes the employer's  
29 liability for part of a claim but makes a full and  
30 final disposition of other parts of a claim.  
31 5. A contingent settlement may be made and  
32 approved, conditioned upon subsequent approval by a  
33 court or governmental agency, or upon any other  
34 subsequent event that is expected to occur within one  
35 year from the date of the settlement. If the  
36 subsequent approval or event does not occur, the  
37 contingent settlement and its approval may be vacated  
38 by order of the workers' compensation commissioner  
39 upon a petition for vacation filed by one of the  
40 parties or upon agreement by all parties. If a  
41 contingent settlement is vacated, the running of any  
42 period of limitation provided for in section 85.26 is  
43 tolled from the date the settlement was initially  
44 approved until the date that the settlement is  
45 vacated, and the claim is restored to the status that  
46 the claim held when the contingent settlement was  
47 initially approved. The contingency on a settlement  
48 lapses and the settlement becomes final and fully  
49 enforceable if an action to vacate the contingent  
50 settlement or to extend the period of time allowed for

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1 the subsequent approval or event to occur is not  
2 initiated within one year from the date that the  
3 contingent settlement was initially approved.  
4 6. The parties may agree that settlement proceeds,  
5 which are paid in a lump sum, are intended to  
6 compensate the injured worker at a given monthly or  
7 weekly rate over the life expectancy of the injured  
8 worker. If such an agreement is reached, neither the  
9 weekly compensation rate which either has been paid,  
10 or should have been paid, throughout the case, nor the  
11 maximum statutory weekly rate applicable to the injury  
12 shall apply. Instead, the rate set forth in the  
13 settlement agreement shall be the rate for the case.  
14 The settlement shall not be approved unless  
15 evidence of a bona fide dispute exists concerning any  
16 of the following:  
17 1. The claimed injury arose out of or in the  
18 course of the employment.

19 ~~2. The injured employee gave notice under section~~  
 20 ~~85.23.~~  
 21 ~~3. Whether or not the statutes of limitations as~~  
 22 ~~provided in section 85.26 have run. When the issue~~  
 23 ~~involved is whether or not the statute of limitations~~  
 24 ~~of section 85.26, subsection 2, has run, the final~~  
 25 ~~disposition shall pertain to the right to weekly~~  
 26 ~~compensation unless otherwise provided for in~~  
 27 ~~subsection 7 of this section.~~  
 28 ~~4. The injury was caused by the employee's willful~~  
 29 ~~intent to injure the employee's self or to willfully~~  
 30 ~~injure another.~~  
 31 ~~5. Intoxication, which did not arise out of and in~~  
 32 ~~the course of employment but which was due to the~~  
 33 ~~effects of alcohol or another narcotic, depressant,~~  
 34 ~~stimulant, hallucinogenic, or hypnotic drug not~~  
 35 ~~prescribed by an authorized medical practitioner, was~~  
 36 ~~a substantial factor in causing the employee's injury.~~  
 37 ~~6. The injury was caused by the willful act of a~~  
 38 ~~third party directed against the employee for reasons~~  
 39 ~~personal to such employee.~~  
 40 ~~7. This chapter or chapter 85A, 85B, 86 or 87~~  
 41 ~~applies to the party making the claim.~~  
 42 ~~8. A substantial portion of the claimed disability~~  
 43 ~~is related to physical or mental conditions other than~~  
 44 ~~those caused by the injury.~~  
 45 7. A settlement shall be approved by the workers'  
 46 compensation commissioner if the parties show all of  
 47 the following:  
 48 a. Substantial evidence exists to support the  
 49 terms of the settlement.  
 50 b. Waiver of the employee's right to a hearing.

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1 decision, and statutory benefits is made knowingly by  
 2 the employee.  
 3 c. The settlement is a reasonable and informed  
 4 compromise of the competing interests of the parties.  
 5 If an employee is represented by legal counsel, it  
 6 is presumed that the required showing for approval of  
 7 the settlement has been made.  
 8 8. Approval of a settlement by the workers'  
 9 compensation commissioner shall be binding on the  
 10 parties and shall not be construed as an original  
 11 proceeding. Notwithstanding any provisions of this  
 12 chapter and chapters 85A, 85B, 86 and 87, an approved  
 13 compromise settlement shall constitute a final bar to  
 14 any further rights arising under this chapter and  
 15 chapters 85A, 85B, 86, and 87. Such regarding the  
 16 subject matter of the compromise and a payment made  
 17 pursuant to a compromise settlement agreement shall

18 not be construed as the payment of weekly  
19 compensation.  
20 Sec. \_\_\_. Section 85.38, subsection 2, unnumbered  
21 paragraph 2, Code 2005, is amended to read as follows:  
22 If an employer denies liability under this chapter,  
23 chapter 85A, or chapter 85B, for payment for any  
24 medical services received or weekly compensation  
25 requested by an employee ~~with a disability~~, and the  
26 employee is a beneficiary under either an individual  
27 or group plan for nonoccupational illness, injury, or  
28 disability, the nonoccupational plan shall not deny  
29 payment for the medical services received or for  
30 benefits under the plan on the basis that the  
31 employer's liability ~~for the medical services~~ under  
32 this chapter, chapter 85A, or chapter 85B is  
33 unresolved.  
34 Sec. \_\_\_. Section 85.71, Code 2005, is amended by  
35 adding the following new subsection:  
36 NEW SUBSECTION. 5. The employer has a place of  
37 business in Iowa, and the employee is working under a  
38 contract of hire which provides that the employee's  
39 workers' compensation claims be governed by Iowa law.  
40 Sec. \_\_\_. Section 86.24, subsection 4, Code 2005,  
41 is amended to read as follows:  
42 4. A transcript of a contested case proceeding  
43 shall be provided to the workers' compensation  
44 commissioner by an appealing party at the party's cost  
45 ~~and an affidavit shall be filed by the appealing party~~  
46 ~~or the party's attorney with the workers' compensation~~  
47 ~~commissioner within ten days after the filing of the~~  
48 ~~appeal to the workers' compensation commissioner~~  
49 ~~stating that the transcript has been ordered and~~  
50 ~~identifying the name and address of the reporter or~~

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1 ~~reporting firm from which the transcript has been~~  
2 ~~ordered.~~  
3 Sec. \_\_\_. NEW SECTION. 86.45 CONFIDENTIAL  
4 INFORMATION.  
5 1. "Confidential information", for the purposes of  
6 this section, means all information that is filed with  
7 the workers' compensation commissioner as a result of  
8 an employee's injury or death that would allow the  
9 identification of the employee or the employee's  
10 dependents. Confidential information includes first  
11 reports of injury and subsequent reports of claim  
12 activity. Confidential information does not include  
13 pleadings, motions, decisions, opinions, or  
14 applications for settlement that are filed with the  
15 workers' compensation commissioner.  
16 2. The workers' compensation commissioner shall

17 not disclose confidential information except as  
18 follows:  
19 a. Pursuant to the terms of a written waiver of  
20 confidentiality executed by the employee or the  
21 dependents of the employee whose information is filed  
22 with the workers' compensation commissioner.  
23 b. To another governmental agency, or to an  
24 advisory, rating, or research organization, for the  
25 purpose of compiling statistical data, evaluating the  
26 state's workers' compensation system, or conducting  
27 scientific, medical, or public policy research, where  
28 such disclosure will not allow the identification of  
29 the employee or the employee's dependents.  
30 c. To the employee or to the agent or attorney of  
31 the employee whose information is filed with the  
32 workers' compensation commissioner.  
33 d. To the person or to the agent of the person who  
34 submitted the information to the workers' compensation  
35 commissioner.  
36 e. To an agent, representative, attorney,  
37 investigator, consultant, or adjuster of an employer,  
38 or insurance carrier or third-party administrator of  
39 workers' compensation benefits, who is involved in  
40 administering a claim for such benefits related to the  
41 injury or death of the employee whose information is  
42 filed with the workers' compensation commissioner.  
43 f. To all parties to a contested case proceeding  
44 before the workers' compensation commissioner in which  
45 the employee or a dependent of the employee, whose  
46 information is filed with the workers' compensation  
47 commissioner, is a party.  
48 g. In compliance with a subpoena.  
49 h. To an agent, representative, attorney,  
50 investigator, consultant, or adjuster of the employee,

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1 employer, or insurance carrier or third-party  
2 administrator of insurance benefits, who is involved  
3 in administering a claim for insurance benefits  
4 related to the injury or death of the employee whose  
5 information is filed with the workers' compensation  
6 commissioner.  
7 i. To another governmental agency that is charged  
8 with the duty of enforcing liens or rights of  
9 subrogation or indemnity.  
10 3. This section does not create a cause of action  
11 for a violation of its provisions against the workers'  
12 compensation commissioner or against the state or any  
13 governmental subdivision of the state.  
14 Sec. \_\_\_. Section 87.11, unnumbered paragraph 1,  
15 Code 2005, is amended to read as follows:

16 When an employer coming under this chapter  
17 furnishes satisfactory proofs to the insurance  
18 commissioner of such employer's solvency and financial  
19 ability to pay the compensation and benefits as by law  
20 provided and to make such payments to the parties when  
21 entitled thereto, or when such employer deposits with  
22 the insurance commissioner security satisfactory to  
23 the insurance commissioner ~~and the workers'~~  
24 ~~compensation commissioner~~ as guaranty for the payment  
25 of such compensation, such employer shall be relieved  
26 of the provisions of this chapter requiring insurance;  
27 but such employer shall, from time to time, furnish  
28 such additional proof of solvency and financial  
29 ability to pay as may be required by such insurance  
30 commissioner ~~or workers' compensation commissioner~~.  
31 Such security shall be held in trust for the sole  
32 purpose of paying compensation and benefits and is not  
33 subject to attachment, levy, execution, garnishment,  
34 liens, or any other form of encumbrance. However, the  
35 insurance commissioner shall be reimbursed from the  
36 security for all costs and fees incurred by the  
37 insurance commissioner in resolving disputes involving  
38 the security. A political subdivision, including a  
39 city, county, community college, or school  
40 corporation, that is self-insured for workers'  
41 compensation is not required to submit a plan or  
42 program to the insurance commissioner for review and  
43 approval.  
44 Sec. \_\_. Section 87.14A, Code 2005, is amended to  
45 read as follows:  
46 87.14A INSURANCE ~~OR BOND~~ REQUIRED.  
47 An employer subject to this chapter and chapters  
48 85, 85A, 85B, and 86 shall not engage in business  
49 without first obtaining insurance covering  
50 compensation benefits or obtaining relief from

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1 insurance as provided in this chapter ~~or furnishing a~~  
2 ~~bond pursuant to section 87-16.~~ A person who  
3 willfully and knowingly violates this section is  
4 guilty of a class "D" felony.  
5 Sec. \_\_. Section 87.19, unnumbered paragraph 1,  
6 Code 2005, is amended to read as follows:  
7 Upon the receipt of information by the workers'  
8 compensation commissioner of any employer failing to  
9 comply with ~~sections 87-16 and 87-17~~ section 87.14A,  
10 the commissioner shall at once notify such employer by  
11 certified mail that unless such employer comply with  
12 the requirements of law, legal proceedings will be  
13 instituted to enforce such compliance.  
14 Sec. \_\_. Section 87.20, Code 2005, is amended to

15 read as follows:

16 87.20 REVOCATION OF RELEASE FROM INSURANCE.

17 The insurance commissioner ~~with the concurrence of~~  
18 ~~the workers' compensation commissioner~~ may, at any  
19 time, upon reasonable notice to such employer and upon  
20 hearing, revoke for cause any order theretofore made  
21 relieving any employer from carrying insurance as  
22 provided by this chapter.

23 Sec. \_\_. Section 91A.3, subsection 3, Code 2005,  
24 is amended to read as follows:

25 3. The wages paid under subsection 1 shall be sent  
26 to the employee by mail or be paid at the employee's  
27 normal place of employment during normal employment  
28 hours or at a place and hour mutually agreed upon by  
29 the employer and employee, or the employee may elect  
30 to have the wages sent for direct deposit, on or by  
31 the regular payday of the employee, into a financial  
32 institution designated by the employee. An employer  
33 shall not require a current employee to participate in  
34 direct deposit. The employer may require, as a  
35 condition of hire, a new employee to sign up for  
36 direct deposit of the employee's wages in a financial  
37 institution of the employee's choice unless either of  
38 the following conditions exist:

39 a. The costs to the employee of establishing and  
40 maintaining an account for purposes of the direct  
41 deposit would effectively reduce the employee's wages  
42 to a level below the minimum wage provided under  
43 section 91D.1.

44 b. The provisions of a collective bargaining  
45 agreement mutually agreed upon by the employer and the  
46 employee organization prohibit the employer from  
47 requiring an employee to sign up for direct deposit as  
48 a condition of hire.

49 Sec. \_\_. Section 91A.6, Code 2005, is amended by  
50 adding the following new subsection:

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1 NEW SUBSECTION. 4. On each regular payday, the  
2 employer shall send to each employee by mail or shall  
3 provide at the employee's normal place of employment  
4 during normal employment hours a statement showing the  
5 hours the employee worked, the wages earned by the  
6 employee, and deductions made for the employee. An  
7 employer who provides each employee access to view an  
8 electronic statement of the employee's earnings and  
9 provides the employee free and unrestricted access to  
10 a printer to print the employee's statement of  
11 earnings, if the employee chooses, is in compliance  
12 with this subsection.

13 Sec. \_\_. Sections 87.16 and 87.17, Code 2005, are

14 repealed.  
15 Sec. \_\_. EFFECTIVE DATE. This division of this  
16 Act takes effect July 1, 2005."  
17 9. Title page, line 1, by striking the word  
18 "appropriation" and inserting the following:  
19 "financial and regulatory".  
20 10. Title page, line 2, by inserting after the  
21 figure "2004," the following: "making civil penalties  
22 applicable".  
23 11. By renumbering, relettering, or redesignating  
24 and correcting internal references as necessary.

Horbach of Tama offered the following amendment [H-1696](#), to the committee amendment [H-1638](#), filed by him from the floor and moved its adoption:

[H-1696](#)

1 Amend the amendment, [H-1638](#), to [Senate File 342](#), as  
2 amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 7, by inserting after line 48 the  
5 following:  
6 "Sec. \_\_. Section 91A.6, subsection 3, Code 2005,  
7 is amended to read as follows:  
8 3. Within ten working days of a request by an  
9 employee, an employer shall furnish to the employee a  
10 written, itemized statement or access to a written,  
11 itemized statement as provided in subsection 4,  
12 listing the earnings and deductions made from the  
13 wages for each pay period in which the deductions were  
14 made together with an explanation of how the wages and  
15 deductions were computed. ~~An employer need honor only~~  
16 ~~one such request in any calendar year unless the rate~~  
17 ~~of earnings, hours or deductions are changed during~~  
18 ~~the calendar year. Each change shall entitle an~~  
19 ~~employee to a further request for an itemized~~  
20 ~~statement."~~  
21 2. By renumbering as necessary.

Amendment [H-1696](#) was adopted.

On motion by Dix of Butler the committee amendment [H-1638](#), as amended, was adopted.

Dix of Butler moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([S.F. 342](#))

The ayes were, 99:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Chambers	Cohoon	Dandekar
Davitt	De Boef	Dix	Dolecheck
Drake	Eichhorn	Elgin	Fallon
Ford	Freeman	Frevert	Gaskill
Gipp	Granzow	Greiner	Heaton
Heddens	Hoffman	Hogg	Horbach
Hunter	Huseman	Huser	Hutter
Jacobs	Jacoby	Jenkins	Jochum
Jones	Kaufmann	Kressig	Kuhn
Kurtenbach	Lalk	Lensing	Lukan
Lykam	Maddox	Mascher	May
McCarthy	Mertz	Miller	Murphy
Oldson	Olson, D.	Olson, R.	Olson, S.
Paulsen	Petersen	Pettengill	Quirk
Raecker	Rasmussen	Rayhons	Reasoner
Reichert	Roberts	Sands	Schickel
Schueller	Shomshor	Shoultz	Smith
Soderberg	Struyk	Swaim	Taylor, D.
Taylor, T.	Thomas	Tjepkes	Tomenga
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Watts	Wendt	Wessel-Kroeschell
Whitaker	Whitead	Wilderdyke	Winckler
Wise	Zirkelbach	Mr. Speaker	
		Rants	

The nays were, none.

Absent or not voting, 1:

Foegel

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

The House stood at ease at 6:48 p.m., until the fall of the gavel.

The House resumed session at 7:07 p.m., Speaker Rants in the chair.

## SENATE AMENDMENT CONSIDERED

De Boef of Keokuk called up for consideration [House File 808](#), a bill for an act relating to and making appropriations involving state government, including provisions affecting agriculture and natural resources, amended by the Senate amendment [H-1678](#) as follows:

[H-1678](#)

1 Amend [House File 808](#), as passed by the House, as  
 2 follows:  
 3 1. Page 1, line 10, by striking the figure "1."  
 4 2. Page 1, line 15, by striking the figure  
 5 "18,047,299" and inserting the following:  
 6 "17,213,319".  
 7 3. Page 1, line 16, by striking the figure  
 8 "417.12" and inserting the following: "412.52".  
 9 4. By striking page 1, line 17, through page 2,  
 10 line 15.  
 11 5. Page 2, by inserting after line 17, the  
 12 following:  
 13 "Sec. \_\_\_. SENIOR FARMERS MARKET NUTRITION  
 14 PROGRAM. There is appropriated from the general fund  
 15 of the state to the department of agriculture and land  
 16 stewardship for the fiscal year beginning July 1,  
 17 2005, and ending June 30, 2006, the following amount,  
 18 or so much thereof as is necessary, to be used for the  
 19 purposes designated:  
 20 For purposes of administering a senior farmers  
 21 market nutrition program, including salaries, support,  
 22 maintenance, miscellaneous purposes, and for not more  
 23 than the following full-time equivalent positions:  
 24 ..... \$ 77,000  
 25 ..... FTEs 1.00  
 26 Sec. \_\_\_. CHRONIC WASTING DISEASE. There is  
 27 appropriated from the general fund of the state to the  
 28 department of agriculture and land stewardship for the  
 29 fiscal year beginning July 1, 2005, and ending June  
 30 30, 2006, the following amount, or so much thereof as  
 31 is necessary, to be used for the purposes designated:  
 32 For purposes of administering a chronic wasting  
 33 disease control program for the control of chronic  
 34 wasting disease which threatens farm deer as provided  
 35 in chapter 170, including salaries, support,  
 36 maintenance, miscellaneous purposes, and for not more  
 37 than the following full-time equivalent positions:  
 38 ..... \$ 100,000  
 39 ..... FTEs 1.60  
 40 The program may include procedures for the  
 41 inspection and testing of farm deer, responses to

42 reported cases of chronic wasting disease, and methods  
 43 to ensure that owners of farm deer may engage in the  
 44 movement and sale of farm deer.  
 45 Sec. \_\_. HOMELAND SECURITY. There is  
 46 appropriated from the general fund of the state to the  
 47 department of agriculture and land stewardship for the  
 48 fiscal year beginning July 1, 2005, and ending June  
 49 30, 2006, the following amount, or so much thereof as  
 50 is necessary, to be used for the purposes designated:

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1 For purposes of administering programs which  
 2 provide for homeland security and emergency  
 3 management, including programs which are necessary to  
 4 prevent or control a serious threat to the production  
 5 and processing of agricultural commodities, and  
 6 including salaries, support, maintenance,  
 7 miscellaneous purposes, and for not more than the  
 8 following full-time equivalent positions:  
 9 ..... \$ 79,004  
 10 ..... FTEs 1.00

11 The department may use the moneys appropriated in  
 12 this section to preserve and protect the public  
 13 health, public safety, or the state's economy caused  
 14 by the transmission of disease among livestock as  
 15 defined in section 717.1 or agricultural animals as  
 16 defined in section 717A.1. The department shall  
 17 cooperate with the homeland security and emergency  
 18 management division of the department of public  
 19 defense in the administration of emergency planning  
 20 matters which involve agriculture."

21 6. Page 3, by inserting after line 24, the  
 22 following:

23 "Sec. \_\_. APIARY REGULATION. There is  
 24 appropriated from the general fund of the state to the  
 25 department of agriculture and land stewardship for the  
 26 fiscal year beginning July 1, 2005, and ending June  
 27 30, 2006, the following amount, or so much thereof as  
 28 is necessary, to be used for the purposes designated:

29 For support of apiary regulation as provided in  
 30 chapter 160, including salaries, support, maintenance,  
 31 and miscellaneous purposes:  
 32 ..... \$ 40,000

33 Sec. \_\_. SOIL AND WATER CONSERVATION DISTRICTS.

34 There is appropriated from the general fund of the  
 35 state to the department of agriculture and land  
 36 stewardship for the fiscal year beginning July 1,  
 37 2005, and ending June 30, 2006, the following amount,  
 38 or so much thereof as is necessary, to be used for the  
 39 purposes designated:

40 For purposes of reimbursing commissioners of soil

41 and water conservation districts for administrative  
 42 expenses including but not limited to travel expenses,  
 43 technical training, and professional dues:  
 44 ..... \$ 250,000  
 45 A soil and water conservation district receiving  
 46 moneys from an allocation provided pursuant to this  
 47 section shall submit a report to the soil conservation  
 48 division of the department of agriculture and land  
 49 stewardship by January 1, 2006, accounting for moneys  
 50 which have been expended or unexpended or which have

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1 been obligated or encumbered. The report shall state  
 2 how the moneys were used."  
 3 7. Page 3, line 33, by striking the figure "1."  
 4 8. Page 4, line 3, by striking the figure  
 5 "16,390,463" and inserting the following:  
 6 "16,968,439".  
 7 9. Page 4, by striking lines 5 through 16.  
 8 10. Page 7, by inserting after line 9, the  
 9 following:  
 10 "ENERGY-RELATED PROVISIONS  
 11 Sec. \_\_. Section 476B.1, subsection 4, paragraph  
 12 c, Code 2005, is amended to read as follows:  
 13 c. Was originally placed in service on or after  
 14 July 1, ~~2004~~ 2005, but before July 1, ~~2007~~ 2008.  
 15 Sec. \_\_. Section 476B.3, Code 2005, is amended to  
 16 read as follows:  
 17 476B.3 CREDIT AMOUNT.  
 18 ~~1. Except as limited by subsection 2, the The~~ wind  
 19 energy production tax credit allowed under this  
 20 chapter equals the product of one cent multiplied by  
 21 the number of kilowatt-hours of qualified electricity  
 22 sold by the owner during the taxable year.  
 23 ~~2. a. The maximum amount of tax credit which a~~  
 24 ~~group of qualified facilities operating as one unit~~  
 25 ~~may receive for a taxable year equals the rate of~~  
 26 ~~credit times thirty two percent of the total number of~~  
 27 ~~kilowatts of nameplate generating capacity.~~  
 28 ~~b. However, if for the previous taxable year the~~  
 29 ~~amount of the tax credit for the group of qualified~~  
 30 ~~facilities operating as one unit is less than the~~  
 31 ~~maximum amount available as provided in paragraph "a",~~  
 32 ~~the maximum amount for the next taxable year shall be~~  
 33 ~~increased by the amount of the previous year's unused~~  
 34 ~~maximum credit.~~  
 35 Sec. \_\_. Section 476B.5, Code 2005, is amended by  
 36 striking the section and inserting in lieu thereof the  
 37 following:  
 38 476B.5 DETERMINATION OF ELIGIBILITY.  
 39 1. An owner may apply to the board for a written

40 determination regarding whether a facility is a  
41 qualified facility by submitting to the board a  
42 written application containing all of the following:  
43 a. Information regarding the ownership of the  
44 facility including the percentage of equity interest  
45 held by each owner.  
46 b. The nameplate generating capacity of the  
47 facility.  
48 c. Information regarding the facility's initial  
49 placement in service.  
50 d. Information regarding the type of facility.

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1 e. A copy of an executed power purchase agreement  
2 or other agreement to purchase electricity upon  
3 completion of the project.  
4 f. Any other information the board may require.  
5 2. The board shall review the application and  
6 supporting information and shall make a preliminary  
7 determination regarding whether the facility is a  
8 qualified facility. The board shall notify the  
9 applicant of the approval or denial of the application  
10 within thirty days of receipt of the application and  
11 information required. If the board fails to notify  
12 the applicant of the approval or denial within thirty  
13 days, the application shall be deemed denied. An  
14 applicant who receives a determination denying an  
15 application may file an appeal with the board within  
16 thirty days from the date of the denial pursuant to  
17 the provisions of chapter 17A. In the absence of a  
18 timely appeal, the preliminary determination shall be  
19 final. If the application is incomplete, the board  
20 may grant an extension of time for the provision of  
21 additional information.  
22 3. A facility that is not operational within  
23 eighteen months after issuance of an approval for the  
24 facility by the board shall cease to be a qualified  
25 facility. A facility that is granted and thereafter  
26 loses approval may reapply to the board for a new  
27 determination.  
28 4. The maximum amount of nameplate generating  
29 capacity of all qualified facilities the board may  
30 find eligible under this chapter shall not exceed four  
31 hundred fifty megawatts of nameplate generating  
32 capacity.  
33 5. An owner shall not be an owner of more than two  
34 qualified facilities.  
35 Sec. \_\_. Section 476B.6, Code 2005, is amended by  
36 striking the section and inserting in lieu thereof the  
37 following:  
38 476B.6 TAX CREDIT CERTIFICATE PROCEDURE.

39 1. a. To be eligible to receive the wind energy  
40 production tax credit, the owner must first receive  
41 approval of the board of supervisors of the county in  
42 which the qualified facility is located. The  
43 application for approval may be submitted prior to  
44 commencement of the construction of the qualified  
45 facility but shall be submitted no later than the  
46 close of the owner's first taxable year for which the  
47 credit is to be applied for. The application must  
48 contain the owner's name and address, the address of  
49 the qualified facility, and the dates of the owner's  
50 first and last taxable years for which the credit will

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1 be applied for. Within forty-five days of the receipt  
2 of the application for approval, the board of  
3 supervisors shall either approve or disapprove the  
4 application. After the forty-five-day limit, the  
5 application is deemed to be approved.  
6 b. Upon approval of the application, the owner may  
7 apply for the tax credit as provided in subsection 2.  
8 In addition, approval of the application is acceptance  
9 by the applicant for the assessment of the qualified  
10 facility for property tax purposes for a period of  
11 twelve years and approval by the board of supervisors  
12 for the payment of the property taxes levied on the  
13 qualified property to the state. For purposes of  
14 property taxation, the qualified facility shall be  
15 centrally assessed and shall be exempt from any  
16 replacement tax under section 437A.6 for the period  
17 during which the facility is subject to property  
18 taxation. The property taxes to be paid to the state  
19 are those property taxes which make up the  
20 consolidated tax levied on the qualified facility and  
21 which are due and payable in the twelve-year period  
22 beginning with the first fiscal year beginning on or  
23 after the end of the owner's first taxable year for  
24 which the credit is applied for. Upon approval of the  
25 application, the board of supervisors shall notify the  
26 county treasurer to state on the tax statement which  
27 lists the taxes on the qualified facility that the  
28 amount of the property taxes shall be paid to the  
29 department. Payment of the designated property taxes  
30 to the department shall be in the same manner as  
31 required for the payment of regular property taxes and  
32 failure to pay designated property taxes to the  
33 department shall be treated the same as failure to pay  
34 property taxes to the county treasurer.  
35 c. Once the owner of the qualified facility  
36 receives approval under paragraph "a", subsequent  
37 approval under paragraph "a" is not required for the

38 same qualified facility for subsequent taxable years.  
39 2. An owner of a qualified facility may apply to  
40 the board for the wind energy production tax credit by  
41 submitting to the board all of the following:  
42 a. A completed application in a form prescribed by  
43 the board.  
44 b. A copy of the determination granting approval  
45 of the facility as a qualified facility by the board.  
46 c. A copy of a signed power purchase agreement or  
47 other agreement to purchase electricity.  
48 d. Sufficient documentation that the electricity  
49 has been generated by the qualified facility and sold  
50 to a purchaser.

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1 e. Any other information the board deems  
2 necessary.  
3 3. The board shall notify the department of the  
4 amount of kilowatt-hours generated and purchased from  
5 a qualified facility. The department shall calculate  
6 the amount of the tax credit for which the applicant  
7 is eligible and shall issue the tax credit certificate  
8 for that amount or notify the applicant in writing of  
9 its refusal to do so. An applicant whose application  
10 is denied may file an appeal with the department  
11 within sixty days from the date of the denial pursuant  
12 to the provisions of chapter 17A.  
13 4. Each tax credit certificate shall contain the  
14 owner's name, address, and tax identification number,  
15 the amount of tax credits, the first taxable year the  
16 certificate may be used, the type of tax to which the  
17 tax credits shall be applied, and any other  
18 information required by the department. The tax  
19 credit certificate shall only list one type of tax to  
20 which the amount of the tax credit may be applied.  
21 Once issued by the department, the tax credit  
22 certificate shall not be terminated or rescinded.  
23 5. If the tax credit application is filed by a  
24 partnership, limited liability company, S corporation,  
25 estate, trust, or other reporting entity all of the  
26 income of which is taxed directly to its equity  
27 holders or beneficiaries, for the taxes imposed under  
28 chapter 422, division II or III, the tax credit  
29 certificate shall be issued directly to equity holders  
30 or beneficiaries of the applicant in proportion to  
31 their pro rata share of the income of such entity.  
32 The applicant shall, in the application made under  
33 this section, identify its equity holders or  
34 beneficiaries, and the percentage of such entity's  
35 income that is allocable to each equity holder or  
36 beneficiary. If the tax credit application is filed

37 by a partnership, limited liability company, S  
38 corporation, estate, trust, or other reporting entity,  
39 all of whose income is taxed directly to its equity  
40 holders or beneficiaries for the taxes imposed under  
41 chapter 422, division V, or under chapter 432, the tax  
42 credit certificate shall be issued directly to the  
43 partnership, limited liability company, S corporation,  
44 estate, trust, or other reporting entity.  
45 6. The department shall not issue a tax credit  
46 certificate if the facility approved by the board as a  
47 qualified facility is not operational within eighteen  
48 months after the approval is issued.  
49 7. Once a tax credit certificate is issued  
50 pursuant to this section, the tax credit may only be

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1 claimed against the type of tax reflected on the  
2 certificate.  
3 8. A tax credit certificate shall not be used or  
4 attached to a return filed for a taxable year  
5 beginning prior to July 1, 2006.  
6 Sec. \_\_\_. Section 476B.7, unnumbered paragraph 1,  
7 Code 2005, is amended to read as follows:  
8 Wind energy production tax credit certificates  
9 issued under this chapter may be transferred to any  
10 person or entity. Within thirty days of transfer, the  
11 transferee must submit the transferred tax credit  
12 certificate to the ~~board~~ department along with a  
13 statement containing the transferee's name, tax  
14 identification number, and address, and the  
15 denomination that each replacement tax credit  
16 certificate is to carry and any other information  
17 required by the department. Within thirty days of  
18 receiving the transferred tax credit certificate and  
19 the transferee's statement, the ~~board~~ department shall  
20 issue one or more replacement tax credit certificates  
21 to the transferee. Each replacement certificate must  
22 contain the information required under section 476B.6  
23 and must have the same effective taxable year and the  
24 same expiration date that appeared in the transferred  
25 tax credit certificate. Tax credit certificate  
26 amounts of less than the minimum amount established by  
27 rule of the board shall not be transferable. A tax  
28 credit shall not be claimed by a transferee under this  
29 chapter until a replacement tax credit certificate  
30 identifying the transferee as the proper holder has  
31 been issued.  
32 Sec. \_\_\_. Section 476B.8, Code 2005, is amended to  
33 read as follows:  
34 476B.8 USE OF TAX CREDIT CERTIFICATES.  
35 To claim a wind energy production tax credit under

36 this chapter, a taxpayer must attach one or more tax  
 37 credit certificates to the taxpayer's tax return. A  
 38 tax credit certificate shall not be used or attached  
 39 to a return filed for a taxable year beginning prior  
 40 to July 1, ~~2005~~ 2006. The tax credit certificate or  
 41 certificates attached to the taxpayer's tax return  
 42 shall be issued in the taxpayer's name, expire on or  
 43 after the last day of the taxable year for which the  
 44 taxpayer is claiming the tax credit, and show a tax  
 45 credit amount equal to or greater than the tax credit  
 46 claimed on the taxpayer's tax return. Any tax credit  
 47 in excess of the taxpayer's tax liability for the  
 48 taxable year may be credited to the taxpayer's tax  
 49 liability for the following seven taxable years or  
 50 until depleted, whichever is the earlier.

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1 Sec. \_\_. Section 476B.9, Code 2005, is amended to  
 2 read as follows:

3 476B.9 REGISTRATION OF TAX CREDIT CERTIFICATES.

4 ~~The board shall, in conjunction with the~~  
 5 department, shall develop a system for the  
 6 registration of the wind energy production tax credit  
 7 certificates issued or transferred under this chapter  
 8 and a system that permits verification that any tax  
 9 credit claimed on a tax return is valid and that  
 10 transfers of the tax credit certificates are made in  
 11 accordance with the requirements of this chapter. The  
 12 tax credit certificates issued under this chapter  
 13 shall not be classified as a security pursuant to  
 14 chapter 502.

15 Sec. \_\_. NEW SECTION. 476B.10 RULES.

16 The department and the board may adopt rules  
 17 pursuant to chapter 17A for the administration and  
 18 enforcement of this chapter."

19 11. Page 7, by inserting before line 10 the  
 20 following:

21 "IOWA STATE UNIVERSITY  
 22 DESIGNATED APPROPRIATION

23 Sec. \_\_. OPEN FEEDLOTS HOUSING BEEF CATTLE –  
 24 WATER QUALITY RESEARCH PROJECT. There is appropriated  
 25 from the agrichemical remediation fund created in  
 26 section 161.7 to Iowa state university for the fiscal  
 27 year beginning July 1, 2005, and ending June 30, 2006,  
 28 the following amount, or so much thereof as is  
 29 necessary, to be used for the purposes designated:

30 For purposes of supporting a water quality research  
 31 project which studies the effectiveness of alternative  
 32 technologies used to reduce risks to water quality  
 33 from effluent originating from open feedlots which  
 34 house beef cattle:

35 ..... § 100,000

36 In conducting the project, Iowa state university  
37 shall cooperate with the Iowa cattlemen's association,  
38 the department of natural resources, the department of  
39 agriculture and land stewardship, and the United  
40 States department of agriculture natural resource  
41 conservation service.

42 DEPARTMENT OF AGRICULTURE  
43 AND LAND STEWARDSHIP  
44 HORSE AND DOG  
45 REGULATION - FEES

46 Sec. \_\_. Section 99D.22, subsection 3, paragraph  
47 d, Code 2005, is amended to read as follows:

48 d. Adopt rules establishing a schedule of fees to  
49 be ~~charged to~~ imposed on breeders of thoroughbreds,  
50 quarter horses, or standardbreds ~~to administer for~~

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1 purposes of administering and enforcing this  
2 subsection. The moneys paid to the department from  
3 fees as provided in this paragraph shall be considered  
4 repayment receipts as defined in section 8.2, and  
5 shall be used for the administration and enforcement  
6 of this subsection.

7 Sec. \_\_. Section 99D.22, Code 2005, is amended by  
8 adding the following new subsection:

9 NEW SUBSECTION. 3A. a. The department of  
10 agriculture and land stewardship shall adopt rules  
11 establishing a schedule of registration fees to be  
12 imposed on owners of dogs that are whelped and raised  
13 for the first six months of their lives in Iowa for  
14 purposes of promoting native dogs as provided in this  
15 chapter, including section 99D.12 and this section.  
16 The amount of the registration fees shall be imposed  
17 as follows:

18 (1) An owner of a dam registering the dam, twenty-  
19 five dollars.

20 (2) An owner of a litter registering the litter,  
21 ten dollars.

22 (3) An owner of a dog registering the dog, five  
23 dollars.

24 b. The moneys paid to the department from  
25 registration fees as provided in paragraph "a" shall  
26 be considered repayment receipts as defined in section  
27 8.2, and shall be used for the administration and  
28 enforcement of programs for the promotion of native  
29 dogs.

30 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP  
31 AND DEPARTMENT OF NATURAL RESOURCES  
32 DEER REGULATION AND FEES

33 Sec. \_\_. NEW SECTION. 170.3A CHRONIC WASTING

## 34 DISEASE CONTROL PROGRAM.

35 The department shall establish and administer a  
36 chronic wasting disease control program for the  
37 control of chronic wasting disease which threatens  
38 farm deer. The program shall include procedures for  
39 the inspection and testing of farm deer, responses to  
40 reported cases of chronic wasting disease, and methods  
41 to ensure that owners of farm deer may engage in the  
42 movement and sale of farm deer.

43 Sec. \_\_. NEW SECTION. 170.3B FARM DEER  
44 ADMINISTRATION FEE.

45 The department may establish a farm deer  
46 administration fee which shall be annually imposed on  
47 each landowner who keeps farm deer in this state. The  
48 amount of the fee shall not exceed two hundred dollars  
49 per year. The fee shall be collected by the  
50 department in a manner specified by rules adopted by

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1 the department after consulting with the farm deer  
2 council established in section 170.2. The collected  
3 fees shall be credited to the farm deer administration  
4 fund created pursuant to section 170.3C.

5 Sec. \_\_. NEW SECTION. 170.3C FARM DEER  
6 ADMINISTRATION FUND – APPROPRIATION.

7 A farm deer administration fund is created in the  
8 state treasury under the control of the department.

9 1. The fund shall be composed of moneys  
10 appropriated by the general assembly and moneys  
11 available to and obtained or accepted by the  
12 department from the United States or private sources  
13 for placement in the fund. The fund shall include all  
14 moneys collected from the farm deer administration fee  
15 as provided in section 170.3B.

16 2. The moneys in the fund are appropriated  
17 exclusively to the department for purposes of  
18 administering this chapter, including but not limited  
19 to the administration of the chronic wasting disease  
20 control program as provided in section 170.3A.

21 3. Section 8.33 shall not apply to moneys credited  
22 to the fund. Notwithstanding section 12C.7, moneys  
23 earned as income or interest from the fund shall  
24 remain in the fund until expended as provided in this  
25 section.

26 Sec. \_\_. Section 483A.24, subsection 2, paragraph  
27 c, if enacted by 2005 Iowa Acts, [Senate File 206](#),  
28 section 8, is amended to read as follows:

29 c. Upon written application on forms furnished by  
30 the department, the department shall issue annually  
31 without fee two deer hunting licenses, one antlered or  
32 any sex deer hunting license and one antlerless deer

33 only deer hunting license, to the owner of a farm unit  
34 or a member of the owner's family, but only a total of  
35 two licenses for both, and to the tenant of a farm  
36 unit or a member of the tenant's family, but only a  
37 total of two licenses for both. The deer hunting  
38 licenses issued shall be valid only for use on the  
39 farm unit for which the applicant applies pursuant to  
40 this paragraph. The owner or the tenant need not  
41 reside on the farm unit to qualify for the free deer  
42 hunting licenses to hunt on that farm unit. The free  
43 deer hunting licenses issued pursuant to this  
44 paragraph shall be valid and may be used during any  
45 shotgun deer season. The licenses may be used to  
46 harvest deer in two different seasons. In addition, a  
47 person who receives a free deer hunting license  
48 pursuant to this paragraph shall pay a one dollar fee  
49 for each license that shall be used and is  
50 appropriated for the purpose of deer herd population

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1 management, including assisting with the cost of  
2 processing deer donated to the help us stop hunger  
3 program administered by the commission."  
4 12. Title page, line 3, by inserting after the  
5 word "resources" the following: ", and provisions  
6 relating to a wind energy production tax credit".  
7 13. Title page, line 3, by inserting after the  
8 word "resources" the following: ", and providing for  
9 fees".  
10 14. By renumbering, relettering, or redesignating  
11 and correcting internal references as necessary.

Swaim of Davis asked and received unanimous consent to withdraw amendment [H-1695](#), to the Senate amendment [H-1678](#), filed by him from the floor.

De Boef of Keokuk asked and received unanimous consent to withdraw amendment [H-1691](#), to the Senate amendment [H-1678](#), filed by her from the floor.

De Boef of Keokuk offered amendment [H-1697](#), to the Senate amendment [H-1678](#), filed by her and D. Olson of Boone from the floor, division was requested as follows:

[H-1697](#)

1 Amend the Senate amendment, [H-1678](#), to House File  
2 808, as passed by the House, as follows:

[H-1697A](#)

- 3 1. By striking page 1, line 45, through page 2,  
4 line 20.
- 5 2. Page 3, line 6, by striking the figure  
6 "16,968,439" and inserting the following:  
7 "16,883,439".
- 8 3. By striking page 3, line 8, through page 8,  
9 line 18.
- 10 4. By striking page 8, line 47, through page 9,  
11 line 6, and inserting the following: "d, Code 2005,  
12 is amended by striking the paragraph and inserting in  
13 lieu thereof the following:  
14 d. Establish a registration fee imposed on each  
15 horse which is a thoroughbred, quarter horse, or  
16 standardbred which shall be paid by the breeder of the  
17 horse. The department shall not impose the  
18 registration fee more than once on each horse. The  
19 amount of the registration fee shall not exceed thirty  
20 dollars. The moneys paid to the department from  
21 registration fees shall be considered repayment  
22 receipts as defined in section 8.2, and shall be used  
23 for the administration and enforcement of this  
24 subsection."

[H-1697B](#)

- 25 5. Page 11, by inserting after line 3, the  
26 following:  
27 "AGRICULTURAL COOPERATIVES  
28 Sec. \_\_. Section 501A.231, subsection 5, as  
29 enacted by 2005 Iowa Acts, [House File 859](#), section 17,  
30 is amended to read as follows:  
31 5. The secretary of state may provide for the  
32 change of registered office or registered agent on the  
33 form prescribed by the secretary of state for the  
34 biennial report, provided that the form contains the  
35 information required by section 501A.402. If the  
36 secretary of state determines that a biennial report  
37 does not contain the information required by this  
38 section but otherwise meets the requirements of  
39 section ~~501.402~~ 501A.402 for the purpose of changing  
40 the registered office or registered agent, the  
41 secretary of state shall file the statement of change  
42 of registered office or registered agent, effective as  
43 provided in section 501A.203, before returning the  
44 biennial report to the cooperative as provided in this  
45 section. A statement of change of registered office  
46 or agent pursuant to this subsection shall be executed  
47 by a person authorized to execute the biennial report.  
48 Sec. \_\_. Section 501A.1001, subsection 4, as  
49 enacted by 2005 Iowa Acts, [House File 859](#), section 73,

50 is amended to read as follows:

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1 4. The determinations of the board as to the  
2 amount or fair value or the fairness to the  
3 cooperative of the contribution accepted or to be  
4 accepted by the cooperative or the terms of payment or  
5 performance, including under a contribution ~~rights~~  
6 ~~agreement~~ in section 501A.1003, and a contribution  
7 rights agreement in section 501A.1004, are presumed to  
8 be proper if they are made in good faith and on the  
9 basis of accounting methods, or a fair valuation or  
10 other method, reasonable in the circumstances.  
11 Directors who are present and entitled to vote, and  
12 who, intentionally or without reasonable  
13 investigation, fail to vote against approving a  
14 consideration that is unfair to the cooperative, or  
15 overvalue property or services received or to be  
16 received by the cooperative as a contribution, are  
17 jointly and severally liable to the cooperative for  
18 the benefit of the then members who did not consent to  
19 and are damaged by the action to the extent of the  
20 damages of those members. A director against whom a  
21 claim is asserted under this subsection, except in  
22 case of knowing participation in a deliberate fraud,  
23 is entitled to contribution on an equitable basis from  
24 other directors who are liable under this subsection.

25 Sec. \_\_. Section 10B.4, subsection 1, Code 2005,  
26 as amended by 2005 Iowa Acts, [House File 859](#), section  
27 102, if enacted, is amended to read as follows:

28 1. A biennial report shall be filed by a reporting  
29 entity with the secretary of state on or before March  
30 31 of each odd-numbered year as required by rules  
31 adopted by the secretary of state pursuant to chapter  
32 17A. However, a reporting entity required to file a  
33 biennial report pursuant to chapter 490, ~~490A~~, 496C,  
34 497, 498, ~~490A~~, 499, 501, 501A, or 504A shall file the  
35 report required by this section in the same year as  
36 required by that chapter. The reporting entity may  
37 file the report required by this section together with  
38 the biennial report required to be filed by one of the  
39 other chapters referred to in this subsection. The  
40 reports shall be filed on forms prepared and supplied  
41 by the secretary of state. The secretary of state may  
42 provide for combining its reporting forms with other  
43 biennial reporting forms required to be used by the  
44 reporting entities.

45 Sec. \_\_. 2005 Iowa Acts, [House File 859](#), section  
46 104, is amended by striking the section and inserting  
47 in lieu thereof the following:

48 SEC. 104. Section 15.385, subsection 4, paragraph

49 a, Code 2005, is amended to read as follows:

50 a. An eligible business may claim a tax credit

Page 3

1 equal to a percentage of the new investment directly  
2 related to new jobs created by the location or  
3 expansion of an eligible business under the program.  
4 The tax credit shall be allowed against taxes imposed  
5 under chapter 422, division II, III, or V. If the  
6 business is a partnership, S corporation, limited  
7 liability company, cooperative organized under chapter  
8 501 or 501A and filing as a partnership for federal  
9 tax purposes, or estate or trust electing to have the  
10 income taxed directly to the individual, an individual  
11 may claim the tax credit allowed. The amount claimed  
12 by the individual shall be based upon the pro rata  
13 share of the individual's earnings of the partnership,  
14 S corporation, limited liability company, cooperative  
15 organized under chapter 501 or 501A, and filing as a  
16 partnership for federal tax purposes, or estate or  
17 trust. The percentage shall be equal to the amount  
18 provided in paragraph "d". Any tax credit in excess  
19 of the tax liability for the tax year may be credited  
20 to the tax liability for the following seven years or  
21 until depleted, whichever occurs first.

22 Subject to prior approval by the department of  
23 economic development, in consultation with the  
24 department of revenue, an eligible business whose  
25 project primarily involves the production of value-  
26 added agricultural products or uses  
27 biotechnology-related processes may elect to receive a  
28 refund of all or a portion of an unused tax credit.  
29 For purposes of this subsection, such an eligible  
30 business includes a cooperative described in section  
31 521 of the Internal Revenue Code which is not required  
32 to file an Iowa corporate income tax return, and whose  
33 project primarily involves the production of ethanol.  
34 The refund may be applied against a tax liability  
35 imposed under chapter 422, division II, III, or V. If  
36 the business is a partnership, S corporation, limited  
37 liability company, cooperative organized under chapter  
38 501 or 501A, and filing as a partnership for federal  
39 tax purposes, or estate or trust electing to have the  
40 income taxed directly to the individual, an individual  
41 may claim the tax credit allowed. The amount claimed  
42 by the individual shall be based upon the pro rata  
43 share of the individual's earnings of the partnership,  
44 S corporation, limited liability company, cooperative  
45 organized under chapter 501 or 501A and filing as a  
46 partnership for federal tax purposes, or estate or  
47 trust.""

48 6. Page 11, line 6, by striking the words "a wind  
49 energy production tax credit" and inserting the  
50 following: "cooperative associations".

Page 4

1 7. By renumbering as necessary.

Amendment [H-1697A](#) was adopted, placing out of order amendment [H-1682](#) filed by Mertz of Kossuth from the floor.

De Boef of Keokuk asked and received unanimous consent to withdraw amendment [H-1697B](#) to the Senate amendment [H-1678](#).

Mertz of Kossuth offered the following amendment [H-1694](#), to the Senate amendment [H-1678](#), filed by her and Baudler of Adair from the floor and moved its adoption:

[H-1694](#)

- 1 Amend the Senate amendment, [H-1678](#), to House File
- 2 808, as passed by the House, as follows:
- 3 1. Page 10, by striking lines 17 through 19, and
- 4 inserting the following: "exclusively to the
- 5 department for the purpose of administering the
- 6 chronic wasting disease".
- 7 2. By renumbering as necessary.

Amendment [H-1694](#) was adopted.

The following amendments to the Senate amendment [H-1678](#), filed from the floor, were withdrawn by unanimous consent.

Amendment [H-1683](#) filed by Mertz of Kossuth.

Amendment [H-1685](#) filed by Reichert of Muscatine.

Amendment [H-1686](#) filed by Frevert of Palo Alto.

Amendment [H-1687](#) filed by Zirkelbach of Jones.

Amendment [H-1688](#) filed by Thomas of Clayton.

Amendment [H-1689](#) filed by Ford of Polk.

Amendment [H-1690](#) filed by Gaskill of Wapello.

Amendment [H-1692](#) filed by Whitaker of Van Buren.

On motion by De Boef of Keokuk the House concurred in the Senate amendment [H-1678](#), as amended.

De Boef of Keokuk moved that the bill, as amended by the Senate and concurred in by the House, be read a last time now and placed

upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 808](#))

The ayes were, 59:

Alons	Anderson	Arnold	Baudler
Boal	Carroll	Chambers	De Boef
Dix	Dolecheck	Drake	Eichhorn
Elgin	Ford	Gipp	Granzow
Greiner	Heaton	Heddens	Hoffman
Horbach	Huseman	Hutter	Jacobs
Jenkins	Jones	Kaufmann	Kressig
Kuhn	Lalk	Lukan	Maddox
Mascher	May	Olson, D.	Olson, S.
Pettengill	Raecker	Rasmussen	Rayhons
Roberts	Sands	Schickel	Smith
Soderberg	Struyk	Tjepkes	Tomenga
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Watts	Wendt	Whitaker
Wilderdyke	Wise	Mr. Speaker	
		Rants	

The nays were, 40:

Bell	Berry	Bukta	Cohon
Dandekar	Davitt	Fallon	Freeman
Frevert	Gaskill	Hogg	Hunter
Huser	Jacoby	Jochum	Kurtenbach
Lensing	Lykam	McCarthy	Mertz
Miller	Murphy	Oldson	Olson, R.
Paulsen	Petersen	Quirk	Reasoner
Reichert	Schueller	Shomshor	Shoultz
Swaim	Taylor, D.	Taylor, T.	Thomas
Wessel-Kroeschell	Whitead	Winckler	Zirkelbach

Absent or not voting, 1:

Foege

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

## IMMEDIATE MESSAGES

Gipp of Winneshiek asked and received unanimous consent that the following bills be immediately messaged to the Senate: [House File 808](#) and [Senate File 342](#).

MOTION TO RECONSIDER  
([House File 875](#))

I move to reconsider the vote by which [House File 875](#) passed the House on May 11, 2005.

GIPP of Winneshiek

## CERTIFICATES OF RECOGNITION

MR. SPEAKER: The Chief Clerk of the House respectfully reports that certificates of recognition have been issued as follows.

MARGARET A. THOMSON  
Chief Clerk of the House

- 2005\1519 Gladys Chapman, Webster City – For celebrating her 85<sup>th</sup> birthday.
- 2005\1520 Harriet Pfaff, Fort Dodge – For celebrating her 85<sup>th</sup> birthday.
- 2005\1521 Bernice Bohning, Belmond – For celebrating her 90<sup>th</sup> birthday.
- 2005\1522 Geneva Martin, Humboldt – For celebrating her 92<sup>nd</sup> birthday.
- 2005\1523 Merlin and Florence Koester, Fort Dodge – For celebrating their 60<sup>th</sup> wedding anniversary.
- 2005\1524 Warren and Arlene Snell, Webster City – For celebrating their 65<sup>th</sup> wedding anniversary.
- 2005\1525 Nate Rogers, Fort Dodge – For attaining the rank of Eagle Scout, the highest rank in the Boy Scouts of America.
- 2005\1526 Charles and Joan Klima, Guttenberg – For celebrating their 60<sup>th</sup> wedding anniversary.
- 2005\1527 Gertrude Lenius, Fayette – For celebrating her 90<sup>th</sup> birthday.
- 2005\1528 Ruby Baechler, Fayette – For celebrating her 99<sup>th</sup> birthday.
- 2005\1529 Anthony Menendez, Estherville – For being accepted in MENSA.

- 2005\1530 Lynn, Ward and Tom Handorf, Gladbrook – For winning the Wergin Iowa Good Neighbor Award.
- 2005\1531 Eric James Cook, Dubuque – For attaining the rank of Eagle Scout, the highest rank in the Boy Scouts of America.
- 2005\1532 Adam Goerdts, Dubuque – For winning the national championship in the administrative support team for the Business Professionals of America and for winning a medal by placing in the top 10 in the nation in the C++ computer programming category.
- 2005\1533 Andrew DeHeck, Dubuque – For winning the national championship in the administrative support team for the Business Professional of America.
- 2005\1534 Nicole Vrotsos, Dubuque – For winning the national championship in the administrative support team for the Business Professionals of America.
- 2005\1535 Chad Chase, Dubuque – For winning the national championship in the administrative support team for the Business Professionals of America.
- 2005\1536 Msgr. Gerald Ryan, Des Moines – For celebrating 50 years in the priesthood.
- 2005\1537 Edward and Mary Jane Gibney, Norway – For celebrating their 50<sup>th</sup> wedding anniversary.

**On motion by Gipp of Winneshiek the House adjourned at 7:31 p.m., until 10:00 a.m., Thursday, May 12, 2005.**